

# ***Government That Works!***

NEW JERSEY DEPARTMENT OF THE TREASURY

**LOCAL GOVERNMENT BUDGET REVIEW**

***CITY OF BRIDGETON BOARD OF EDUCATION***

**GOVERNOR**

CHRISTINE TODD WHITMAN

JAMES A. DiELEUTERIO, JR.  
*Treasurer*

APRIL, 1999



## **GOVERNMENT THAT WORKS**

### **OPPORTUNITIES FOR CHANGE**

#### ***The Report of City of Bridgeton Board of Education***

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs, and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the State at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates, which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

## **THE REVIEW PROCESS**

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the Review Team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the Review Team, and agree to an open public presentation and discussion of the Review Team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The Review Teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The Review Team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the Review Team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW  
EXECUTIVE SUMMARY  
BRIDGETON BOARD OF EDUCATION**

The Local Government Budget Review (LGBR) unit of the New Jersey Department of the Treasury conducted an extensive study of the Bridgeton School System in response to a request from the Bridgeton Board of Education. Some 36 areas were reviewed resulting in various recommendations for cost reduction and/or potential savings for the district. Three areas were selected and recognized as “best practices” along with other commendations cited in the findings and one recommendation for possible state regulatory or statutory reform. The following is an executive summary of the findings and recommendations and dollar savings, as appropriate:

**1. Comparative Analyses**

Statistical data of school districts comparable to Bridgeton City is provided as a basis for making many of the recommendations.

**2. Budget**

The business office needs to continue to improve its accounting work in relation to properly categorizing expenditures.

**3. Surplus**

It is recommended that the district improve its control over surplus funds. The team believes that the district can realize a one-time revenue enhancement of \$168,880.

**4. Cash Management**

An analysis of the district’s management of its fiscal management system indicated that, if the district managed its cash balances in a more business like fashion, it could increase interest earnings up to \$14,813 per year.

**5. Grants**

The team’s review of the grants office indicated that by establishing an additional professional position, eliminating 1½ clerical positions, and with better coordination, there would be savings and a revenue enhancement of \$511,877.

**6. Legal Fees**

Recommendations were made to change the relationship between the board and it’s solicitor from employee/employer to a professional services contract. This will result in estimated savings of \$16,570 in employee benefits.

## **7. Auditor Contract**

A comparison of Bridgeton's costs associated with performing annual audits with similar districts indicated that it is spending more than it should on auditing services. It is suggested that the district seek competition from different firms, which could reduce its costs by \$6,868.

## **8. Health Benefits**

The team conducted a review of Bridgeton's health benefits program and made several recommendations. It is suggested that the district attempt to negotiate a co-pay on dependant coverage, and changes to their prescription plan. These actions could result in savings of \$641,676.

## **9. Workers' Compensation**

The district should implement a safety program. It is suggested that this could result in a premium reduction of \$20,800.

## **10. Insurance/Other**

It is recommended that the district periodically seek competitive proposals for broker services.

## **11. Health Services**

A review of the Health Services Program indicated that, in addition to typical health services provided Bridgeton also has "Kids' Corners." These are school based youth service programs with staffing provided from the local hospital. It is recommended that the number of clerical positions district wide be reduced from 6 to 3 allowing for a savings of \$69,000.

## **12. Board Member Expenses**

An analysis of board member expenses by the review team, revealed that they were properly authorized and were not excessive.

## **13. Photocopy Management**

The team recommends that the district consider utilizing the state's cost per copy contract. This could result in estimated savings of \$107,918.

## **14. Security**

It is recommended that the district should centralize administrative control of the security functions. It is further recommended that the staff be reduced by 10% resulting in savings of \$20,500.

## **15. Food Services**

The team recommends that the district continue to operate the food service program. The district should, however, reconsider paying full benefits to workers not working more than 30 hours per week and take steps to increase participation in the lunch program. This could result in estimated savings of \$290,734.

## **16. Purchasing/Inventory Control**

The district needs to take more care in the manner in which it purchases materials, especially fuel. Better management of this program can provide estimated savings of \$18,378.

## **17. Maintenance & Plant Services**

The LGBR team recommended that the district eliminate eight custodial positions, hire more student custodians, and end the shift differential pay. This will result in savings of \$334,739.

## **18. Facilities**

It is suggested that the board explore the possibility of implementing an energy savings plan allowing for potential savings of \$69,492.

## **19. Warehousing**

The district should reconsider its efforts to purchase a building and reduce the amount of leased space for a cost avoidance and savings of \$404,400.

## **20. Transportation**

The district should seek bids to handle non-public school transportation and seek to eliminate courtesy busing for a total savings of \$431,222.

## **21. Administration**

The team recommends the elimination of an administrative position within the area of special education, the combination of positions to create one Supervisor of Fine Arts and the elimination of two assistant principal positions. A savings of \$224,000 would result.

## **22. Faculty**

The elimination of 25 teaching positions and four teacher's aide positions would result in savings of \$948,000 while maintaining student: faculty ratios and increasing teacher/aide ratios.

### **23. Clerical Staff**

The district should eliminate nine clerical positions through attrition while promoting cross-training efforts. Savings of \$207,000 would result.

### **24. Athletic Programs**

The review team found the Bridgeton athletic program operated efficiently and was effectively managed. The needs of the student body are apparently being adequately met.

### **25. Extra Curricular Activities**

The school sponsored co-curricular activities were analyzed for 1995/96 and 1996/97. Expenditures were found to be significantly below the budgeted amounts. However the team believes that the budget can be reduced by \$5,000.

### **26. Drivers Education**

Driver education is provided at Bridgeton High School as part of the health curriculum. Classroom and driver simulation film instruction are provided in both the sophomore and junior years.

### **27. Guidance Department**

It is recommended that the guidance functions be consolidated. The coordination of activities and functions would be enhanced and this change would enable the reduction of a clerical position for savings of \$23,000.

### **28. Adult Education**

The team has a number of concerns regarding the Adult Basic Education Program. We therefore suggest that the district join a consortium and refer students to appropriate programs. Community education should be discontinued for estimated savings of \$3,000.

### **29. Special Education**

In-district special education students should continue to be transitioned and special education classrooms expanded so as to increase tuition from out-of-district placements. Savings are dependent on personnel needs and the type of student classifications.

### **30. Computer Technology**

The review team recommends that the district establish a Director of Technology position, reorganize technology personnel, and hire a network technician with Internet training and retention for value-added expense of \$25,000. Business office computing should integrate its technology into its various technology plans and implement comprehensive training program for staff. Transportation computing should resolve software conflicts and offer automated transportation planning to other neighboring districts for a revenue enhancement of \$7,000. Education computing should encourage more integration of technology for teachers and administrators, and access to computers after school for students.

### **31. Library/Media**

We suggest shifting the focus of library/media centers from an administrative to an education focus through elimination of secretaries and their replacement with library aides. Cost savings of \$56,659 could result.

### **32. Basic Skills Instruction**

Per pupil costs for BSI have been reduced especially in the areas of salaries for instruction. The administration should be commended for these efforts.

### **33. Bilingual & English as a Second Language (ESL)**

Bridgeton has the lowest budgeted percentage of the five comparable school districts allocated to bilingual and ESL language. The district should be commended for providing services in a cost efficient manner.

### **34. Transience**

The district should develop a central repository for workbooks and textbooks for redistribution to students. Estimated savings of \$10,000 could result.

### **35. Shared Services with the Municipality**

The review team recommends that the district and City of Bridgeton work jointly to identify their maintenance and storage needs.

### **36. Special Education Medicaid Initiative (SEMI)**

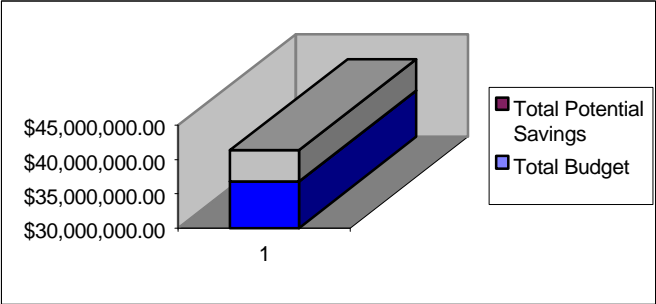
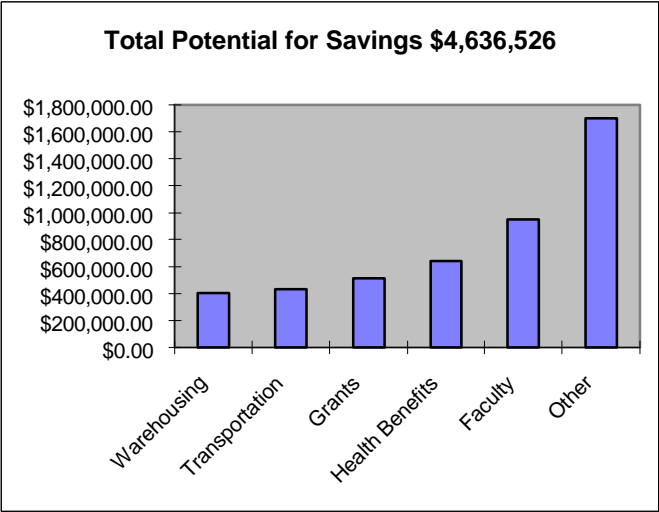
The Bridgeton School District should continue its efforts to employ properly certified individuals enabling it to possibly receive an additional \$50,000 in revenue.





Warehousing	\$404,400.00
Transportation	\$431,222.00
Grants	\$511,877.00
Health Benefits	\$641,676.00
Faculty	\$948,000.00
Other	\$1,699,351.00

Total Budget	\$36,747,667.00
Total Potential Savings	\$4,636,526.00





## TABLE OF CONTENTS

Preface - Government That Works/Opportunities for Change	
The Review Process	
Executive Summary	
Comparison of Costs/Tax Rate with Recommended Savings	

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>COMMUNITY OVERVIEW .....</b>	<b>1</b>
<b>I. BEST PRACTICES.....</b>	<b>2</b>
<b>II. OPPORTUNITIES FOR CHANGE.....</b>	<b>4</b>
COMPARATIVE ANALYSES .....	4
BUDGET .....	9
SURPLUS .....	10
CASH MANAGEMENT.....	11
GRANTS AND FUNDED PROGRAMS .....	14
LEGAL FEES.....	16
AUDITOR CONTRACT .....	18
HEALTH BENEFITS .....	18
WORKERS' COMPENSATION .....	19
INSURANCE/OTHER .....	20
HEALTH SERVICES.....	21
BOARD MEMBER EXPENSES .....	22
PHOTOCOPY MANAGEMENT.....	22
SECURITY .....	24
FOOD SERVICE.....	25
PURCHASING AND INVENTORY CONTROL .....	28
OVERTIME OPERATIONS AND MAINTENANCE OF PLANT SERVICES.....	32
FACILITIES.....	34
WAREHOUSE FACILITY .....	35
TRANSPORTATION .....	37
ADMINISTRATION & STAFFING.....	40
FACULTY .....	42
ATHLETIC PROGRAMS.....	44
EXTRA CURRICULAR ACTIVITIES .....	45
DRIVER EDUCATION.....	46
GUIDANCE DEPARTMENT .....	46
ADULT/ALTERNATIVE EDUCATION PROGRAMS .....	47
SPECIAL EDUCATION .....	51
TECHNOLOGY .....	58
LIBRARY/MEDIA CENTER .....	63
BASIC SKILLS INSTRUCTION PROGRAM (BSIP).....	65
BILINGUAL & ENGLISH AS A SECOND LANGUAGE (ESL).....	66
TRANSIENCE IN THE BRIDGETON SCHOOL SYSTEM .....	67

<b>III. COLLECTIVE BARGAINING ISSUES.....</b>	<b>68</b>
HEALTH BENEFITS .....	68
FOOD SERVICE STAFF .....	70
OPERATIONS AND MAINTENANCE OF PLANT SERVICES.....	71
<b>IV. SHARED SERVICES.....</b>	<b>73</b>
<b>V. STATUTORY &amp; REGULATORY REFORM.....</b>	<b>75</b>

## **COMMUNITY OVERVIEW**

The City of Bridgeton is located in the county of Cumberland, which is in the southern part of New Jersey. It has an estimated population of 19,038 and encompasses approximately 6.7 square miles. It serves as the county seat of Cumberland County and is nearly equidistant from Philadelphia, the Jersey Shore and Wilmington, Delaware. According to the 1990 census 21% of Bridgeton's population are high school graduates and 5.5% are college graduates and beyond. Individuals employed in professional, sales and managerial positions comprise 18% of the population.

Bridgeton has experienced a decrease in overall population since 1970 of approximately 6%. The population is made up of 55% white and 45% minority.

The city is governed by a mayor and city council and boasts of a beautiful park and riverfront, historic Victorian homes and excellent recreational facilities. Bridgeton boasts of having the largest Historical District in New Jersey and is also the home to one of the state's first Urban Enterprise Zones.

Regrettably, this area has one of the highest unemployment rates in the state, the highest teen pregnancy rate, the highest teen suicide rate and the highest dropout rate statewide. The Bridgeton school system also has an exceptionally large transient student population.

The Bridgeton school system is run by a nine member elected board of education with an annual budget of approximately 37 million dollars. The district has been identified by the state as one of the 28 "Abbott districts" as defined in the "Abbott vs. Burke" decision. As a special needs district, Bridgeton receives additional funding and a variety of considerations to raise its spending levels to that of the more affluent districts. In the 1996-97 school year, the State of New Jersey provided 79.4% of the funding for the Bridgeton schools. By contrast, the local residents only provided 8.8% of the funding for the schools. Federal and other sources provided the remaining 11.8%.

According to the 1997/98 ASSA Report, as of October 15, 1997, the district operated seven schools with a student enrollment of 4,006. Grades K - 5 students are housed in five elementary schools; Grade 6 - 8 students are housed in a recently remodeled middle school and Grades 9 - 12 students are housed in the high school.

The Bridgeton School District is generally perceived by the community, including parents of students currently enrolled, parents of children who have graduated from the system, and citizens who do not have children in the schools to be operating effectively and moving in the right direction.

It is the recommendation of the Local Government Budget Review Team that any savings identified as a result of this review be re-directed to educational programs that directly benefit the children of Bridgeton.

## **I. BEST PRACTICES**

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot site every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

### **Elementary Summer School**

Many children in this district are “at-risk” of failure and/or grade retention. A number of factors contribute to this; namely, migratory status, being economically and/or academically disadvantaged, homelessness, and limited English language proficiency. The intent of this summer program is to place greater emphasis on the early years, pre-K through grade 3. Classroom, Title 1, Reading Recovery and Abbot reading teachers are collaborating to identify and recommend children for the program from throughout the district. An enrollment of approximately 500 is expected.

The goal of the program is to assist children in benefiting from an integrated program aligned with the core content standards that will complement and not duplicate the school curriculum. Learning activities are designed to ensure that children receive both remediation where needed and advanced skills instruction.

Program components include computer assisted instruction, “Step up,” Reading Recovery, mentoring, nutrition, health and transportation services, Junior Great Books Curriculum and “Flying Start.”

Support for this program is coming from federal dollars, including Titles I and VI, the Stewart B. McKinney Homeless Education Grant and Title I-Migrant via the Gloucester County Special Services School District. Additional funds are being used from the 1998-99 DEPA funds and/or early childhood program aid.

**It is the general perception that the program is cost effective in that students whose needs aren’t met now as primary grade students might need costly basic skills classes in future years. This program effectively provides these services.**

### **Reading Recovery Program**

The Bridgeton school system participates in the Reading Recovery Program, a nationally acclaimed supplemental reading program aimed at teaching low achieving children to become

independent, efficient readers and writers. The goal of the program is to provide an intensive short-term intervention for students in the lowest 20% of the grade one population.

The program includes five key elements:

- an instructional program for children;
- a unique two-level in-service teacher education model;
- a set of professional materials and trade books for children;
- a program of continuing education for trained Reading Recovery teachers; and
- a program of monitoring, research and evaluation that ensures the long range effectiveness of the program.

This program began in the Bridgeton schools during the 1994-95 school year. Since then Bridgeton has become a teacher training center. This year alone, 11 Bridgeton teachers are being trained along with seven teachers from other districts.

**The program appears to be well organized and cost effective.**

### **Student Custodians**

The Bridgeton Board of Education and its administration, in their efforts to improve the entire student, build good community relations, and provide a clean and safe school environment, adopted a policy establishing the position of student custodian. It is the district's belief that this program is part of an overall educational experience. It provides for skill development, learning of responsibility and financial assistance for the students.

This program is supervised by the district's maintenance supervisor and has been in place for many years. Students who are selected to participate in this program must have demonstrated good work ethics, have good attendance in school, passing grades and be in need of employment. Student custodians have the option of working eight hours per day if they desire. They may also work during the summer months. If for any reason their grades or attendance slips, they are not permitted to continue in the program.

Student custodians perform basic cleaning duties and ground maintenance tasks such as mowing the grass, and sweeping the halls. First year student workers are paid at a rate of \$5.20 per hour, second year students are paid \$5.45 per hour and third year students are paid \$5.95 per hour. During the 1996/97 school year, six students participated in this program and were paid a total of \$5,600.

**We are supportive of this unique program.**



## **II. OPPORTUNITIES FOR CHANGE**

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost savings efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted, as appropriate, in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

### **COMPARATIVE ANALYSES**

Many of the recommendations are made based upon comparative analyses using Department of Education data in comparison with districts of similar size and demographics. Comparisons of this nature are valuable for the purposes of this report. The Department of Education does not intend these to be used by the district to gauge adequacy or efficiency. Other data sources are used such as various state agencies, state education associations, publications and private industry. School districts used for comparison with Bridgeton include Orange, Asbury Park, Pleasantville and New Brunswick and K-12 districts in the state with enrollments between 3,199 and 4,875 students (81 school districts). The following charts illustrate much of the data used.

**TABLE 1**  
**COMPARISON OF GENERAL FUND EXPENDITURES (1996-97)**

General Fund-Exp.	Bridgeton	Orange	Asbury Park	Pleasantville	New Brunswick
Regular Program - Inst.	\$12,360,955	\$12,033,514	\$ 9,363,323	\$ 7,845,359	\$ 13,810,150
Special Education	\$ 2,668,409	\$ 2,435,155	\$ 2,650,962	\$ 1,444,160	\$ 5,587,741
Basic Skills-Remedial	\$ 973,962	\$ 906,868	\$ 1,135,680	\$ 795,867	\$ 156,644
Bilingual Education	\$ 188,886	\$ 615,364	\$ 401,312	\$ 432,240	\$ 3,296,555
Vocational Program					
Sponsored Cocurr. Activities	\$ 152,690	\$ 16,801	\$ 351,463	\$ 225,514	\$ 111,468
Sponsored Athletics	\$ 265,245	\$ 302,683	\$ 67,843	\$ 221,071	\$ 229,452
Other Instruction Program	\$ 32,602	\$ 3,139			
Community Services Prog.		\$ 6,948	\$ 97,609	\$ 41,962	\$ 136,031
Total Instructional Cost	\$16,642,749	\$16,320,472	\$ 14,068,192	\$ 11,006,173	\$ 23,328,041
Undistributed Exp. - Ins.	\$ 1,750,960	\$ 3,877,500	\$ 2,425,890	\$ 1,430,696	\$ 4,295,091
Total Instr. \$\$	\$16,642,749	\$16,320,472	\$ 14,068,192	\$ 11,006,173	\$ 23,328,041
At Bridgeton's Enrollment*	\$16,642,749	\$14,997,931	\$ 16,772,435	\$ 12,260,000	\$ 18,686,809
General Administration	\$ 512,608	\$ 1,114,671	\$ 1,111,258	\$ 990,965	\$ 1,060,991
School Administration	\$ 2,086,732	\$ 1,696,867	\$ 1,996,363	\$ 1,320,203	\$ 1,931,887
Total Administration Cost	\$ 2,599,340	\$ 2,811,538	\$ 3,107,621	\$ 2,311,168	\$ 2,992,878
Total Administration \$\$	\$ 2,599,340	\$ 2,811,538	\$ 3,107,621	\$ 2,293,168	\$ 2,992,878
At Bridgeton's Enrollment*	\$ 2,599,340	\$ 2,583,703	\$ 3,704,980	\$ 2,554,407	\$ 2,397,430
Food Service		\$ 116,974		\$ 274,935	\$ 97,243
Health Service	\$ 343,618	\$ 443,481	\$ 297,195	\$ 387,708	\$ 703,361
Attend.&Soc. Wkr Serv.	\$ 46,042	\$ 69,987	\$ 139,497	\$ 316,646	\$ 395,055
Other Support service	\$ 1,301,245	\$ 1,587,436	\$ 1,237,263	\$ 1,312,307	\$ 1,802,045
Other - Imp. of Inst. Sev.	\$ 213,585	\$ 948,078	\$ 608,712	\$ 551,738	\$ 837,496
Media Serv./Sch. Library	\$ 375,833	\$ 308,468	\$ 317,104	\$ 391,652	\$ 272,521
Operation of Plan	\$ 3,242,626	\$ 3,772,182	\$ 2,994,166	\$ 2,233,772	\$ 3,267,689
Business & Other Sup.Ser.	\$ 4,792,697	\$ 4,559,726	\$ 4,246,685	\$ 5,011,472	\$ 6,346,693
Total Support Services	\$10,315,646	\$11,806,332	\$ 9,840,622	\$ 10,480,230	\$ 13,722,103
Total Support: \$\$	\$10,315,646	\$11,806,332	\$ 9,840,622	\$ 10,480,230	\$ 13,722,103
At Bridgeton's Enrollment*	\$10,315,646	\$10,849,597	\$ 17,732,225	\$ 11,674,142	\$ 10,992,021
Transportation	\$ 865,504	\$ 1,083,866	\$ 685,358	\$ 846,551	\$ 2,693,816
Capital Outlay	\$ 2,385,408	\$ 355,875	\$ 405,807	\$ 2,636,612	\$ 1,028,315
Special School	\$ 149,498	\$ 425,206	\$ 279,462	\$ 63,682	\$ 706,799
Total Gen. Fund Expend.	\$34,709,105	\$36,680,789	\$ 30,812,952	\$ 28,757,112	\$ 48,767,043
# of Students	\$ 3,833	\$ 4,171	\$ 3,215	\$ 3,441	\$ 4,785
Per Student Rates					
Instruction Cost Per Student	\$ 4,342	\$ 3,913	\$ 4,376	\$ 3,199	\$ 4,875
Admin. Cost Per Student	\$ 678	\$ 674	\$ 967	\$ 666	\$ 625
Support Serv. Cost Per Student	\$ 2,691	\$ 2,831	\$ 3,061	\$ 3,046	\$ 2,868

Total Gen. Fund Cost Per Student	\$	9,538	\$	9,241	\$	10,097	\$	8,755	\$	10,735
----------------------------------	----	-------	----	-------	----	--------	----	-------	----	--------

\*At Bridgeton's Enrollment means taking total costs of category divided by the # of students for that school times  
Bridgeton's Enrollment to arrive at an equalized expense level

**TABLE 2**  
**SCOOOL DATA COMPARISON**  
**BASED ON AUDIT REPORT AND REPORT CARDS**  
**AS OF JUNE 30, 1997**

<u>Description</u>	<u>Bridgeton</u>	<u>Orange</u>	<u>Asbury Park</u>	<u>Pleasantville</u>	<u>N. Brunswick</u>
County	Cumberland	Essex	Monmouth	Atlantic	Middlesex
District Type	II	I	II	II	I
Grades	K-12	K-12	K-12	K-12	K-12
District Factor Group	A	A	A	A	A
 Cert. Employees	 417	 367	 316	 297	 459
Other Employees	321	138	175	165	206
Total Employees	738	505	491	462	665
 Square Miles	 6	 2.2	 1	 5.8	 5.5
 Number of Schools					
Elementary	5	7	3	4	8
Middle	1	1	1		
High School	1	1	1	1	1
Alternative Sch.					1
Adult High Sch.					1
Total Schools	7	9	5	5	11
 Student Enrollment (96-97)	 3,833	 4,171	 3,215	 3,441	 4,171
 <u>Revenues</u>					
Local Tax Levy	3,631,497	8,933,346	5,783,641	6,568,135	23,094,322
State Aid	32,910,198	29,753,505	25,830,427	23,455,323	25,989,841
Federal Aid	3,029,404	1,513,052	1,871,487	1,381,562	2,913,447
Other	2,011,507	553,743	846,375	1,416,768	956,404
Total Revenue	41,582,606	40,753,646	34,231,930	32,820,788	52,954,014
 <b>Total Expenditures</b>	 <b>36,558,956</b>	 <b>38,544,439</b>	 <b>32,460,803</b>	 <b>30,125,092</b>	 <b>51,366,893</b>
 <b>Total Expenditures</b> <b>Total Student Enrollment</b>					
 Cost per Pupil	 9,538	 9,241	 10,097	 8,755	 12,315
Pupils per Employee	5.19	8.26	6.55	7.45	6.27
Pupils per Cert. Emp.	9.19	11.37	10.17	11.59	9.09
Pupils per Other Emp.	11.94	30.22	18.37	20.85	20.25

Note: Data was provided from school district CAFR reports 1996-97

In order to make a direct cost comparison on a per pupil basis, expenses and costs reported in the 1997 Comprehensive Annual Financial Report (CAFR) by each of the four selected districts were recalculated using Bridgeton's student enrollment in order to compare like values. The team's analysis, based on these calculations, showed that Bridgeton's overall performance was favorable compared with the four districts. More specifically, Bridgeton ranked second highest to New Brunswick in total instructional spending. In contrast, the district ranked fourth lowest in total Administration and Support services cost.

To further compare the district's performance, the team consulted the 1998 New Jersey Department of Education Comparative Spending Guide to review and compare various components of the district's annual budget to other similar districts in the state, presenting costs on a per student basis and by rank per expenditures. Ranking is for low expenditures (1) to high (81). According to the comparative spending guide, in 1996/97 Bridgeton was rated as the 46<sup>th</sup> highest in total cost spent per pupil out of 81 K-12 districts in the state and was highest in the four similar districts in Cumberland County. There was sizable increase in amounts the district expended for general supplies and textbooks from 1994/95 to 1996/97. Bridgeton was ranked as the highest spender in this category. On the average, Bridgeton ranked in the mid-range in the majority of the categories examined. The following table illustrates the districts ranking for the past three years:

**Table 3**  
**Comparative Spending**

Category	1994-95		1995-96		1996-97	
	Actual	Ranking	Actual	Ranking	Actual	Ranking
Per Pupil Cost	7,551	46	7,456	35	7,445	40
Classroom Instruction	4,533	40	4,825	49	4,830	54
Classroom Salaries & Benefits	4,318	39	4,492	45	4,397	39
General Supplies & Textbooks	163	48	228	72	323	81
Purchased Services & Other	52	60	105	75	110	75
Support Serv. Sal. & Benefits	516	19	507	13	544	20
Total Administrative Cost	930	29	932	28	961	39
Salaries & Benefits for Admin.	816	42	854	50	874	60
Operations & Maintenance	1,308	78	925	40	894	46
Sal. & Benefits for Oper/Maint	447	23	461	25	455	27
Food	---	---	---	---	---	---
Extracurricular Cost	105	25	124	41	117	35
Median Teacher Salary	NA	NA	40,054	8	41,404	9
Median Administrator Salary	NA	NA	67,165	6	64,816	2

**Ranked High Ratio to Low**

Student/Administration	NA	NA	120.6:1	78	126.0:1	82
Faculty/Administration	NA	NA	11.1:1	76	11.7:1	78

It appears that the district is making a good faith effort in containing costs, based on the team's analysis of the district's expenditures for the past three years.

## **Budgeting and Accounting**

This section of the report reviews the operation of the budget and accounting functions to ensure that they provide accurate information to the public, elected officials and administrators and establish proper financial controls.

## **Policy and Procedures Manual**

The district has an updated (1/5/98) “Business Procedures Handbook” which outlines all of its basic business functions, from the budget development process, to petty cash procedures, to record retention. This is a solid, comprehensive and current resource for district personnel. However, not all critical personnel are aware of this document. The team heard complaints from several sources about the business office not providing clear direction, particularly regarding purchasing, and the lack of having a business manual and specific procedures.

#### **Recommendation:**

**The business office should periodically communicate to all key personnel (particularly supervisors) involved with the business function that written business procedures exist and they are contained in the “Business Procedures Handbook.”**

### **BUDGET**

The district receives, spends and accounts for about \$37 million in public funds per year. In terms of revenues, about 93% come from local and state tax revenues with the remainder coming from tuition and miscellaneous receipts. In term of expenditures, about 46.3% (\$17.2 million) is for instruction, 43.2% (\$16.1 million) is for business, maintenance, and other support functions and 10.5% (\$3.9 million) is for capital improvements.

The budgeting process begins around the end of September when the district distributes its budget forms to each school or department in the district. Included with the budget forms are spending target amounts which are often presented in terms of a dollar amount per student.

The principal or department head distributes the budget forms to their supervisors. The supervisors identify their needs and return the documents. The principal or department head makes the final recommendations and returns the forms to the business office by the end of October. The superintendent reviews and approves the budgets in terms of the educational components and the business administrator reviews and approves final amounts for the operational components.

The final budget is then submitted to the school board in February for review and approval.

The current business administrator has improved the budget process by establishing a separate budget for educational technology, i.e., computers. In earlier years, funds for computer technology were mostly distributed across the budgets of the various schools and functional areas. This made it more difficult to establish clear responsibility and control over this important functional area. Computer technology can impact on all parts of the curriculum. It is an integral part of preparing children for success in today’s computer society and is an area that is continually changing. Establishing a separate budget for computer technology helps the district concentrate responsibility and control over this important function.

The team commends the business administrator for integrating the educational technology function fully into the budget process.

## **Accounting**

The district was cited in the 1996/1997 and earlier annual audits for not properly categorizing some expenses. It is important to note that improper categorization does not increase expenses. However, it provides an inaccurate picture of where the district spends its resources and prohibits meaningful financial control of these improperly categorized expenses. The audit report did not provide a dollar value for these improperly categorized expenses. However, the team developed one indicator of the dollar value of improperly categorized expenses by comparing Bridgeton to similar sized districts on one select account. The team knew that all districts expended significant resources from this account, namely telephone and postage. We reviewed the annual financial audits from four comparable districts. The results are presented in Table 1. The data suggests that in this one account Bridgeton is improperly categorizing roughly \$160,000 in expenses.

The team did a cursory analysis of the same account in the current school year (1997/1998). It appears that the district has corrected the situation somewhat but the team observed that some postage expenses were still not properly categorized.

## **Recommendation:**

**The business office needs to continue to improve the quality of its accounting work in relation to properly categorizing expenditures. In one account selected by the team in School Year 1996/1997 it appears that about \$160,000 in expenditures was improperly categorized. The district has corrected this problem somewhat, but more needs to be done.**

## **SURPLUS**

### **Summary**

Surplus funds (i.e., the unreserved, unallocated fund balance) are included in a district's budget in order to provide funds for emergencies or other items beyond the district's control. Sound financial controls are required to ensure that surplus funds are accurately estimated. Accurate estimates are important because overestimating surplus can lead to drastic cutbacks in expenditures in order to avoid deficit spending. On the other hand, underestimating surplus could mean that the district raised more taxes than necessary to fund operations.

The team reviewed Bridgeton's financial control over its surplus funds for the past four years. Surplus amounts are created by the interaction of revenues, expenses, and current year surplus. We found that the district has steadily improved its control of revenues and expenses, but it needs to do more. We also found that the district's control over current year surplus has actually deteriorated. If the district improves its control over all three aspects, the district could significantly reduce costs, on a one-time basis, by reducing its surplus balance. If the district had achieved its own surplus estimates in the last three years, it would have had \$337,761 in additional funds. It could have used these funds either to spend on necessary items or to return to taxpayers as tax relief. If only half of this amount was used for tax relief, the district could have reduced costs by \$168,880.

## **Recommendation:**

**The information gathered for this analysis leads us to recommend that the district should improve its control over surplus funds. The average amount of excess surplus in the last three years is \$337,761. Even if only half of that amount were applied towards tax relief, the district would have realized an additional \$168,880 in revenue. Realistically, improved surplus estimates in the 1997/1998 and 1998/1999 budget years may increase or decrease this amount considerably.**

**Revenue Enhancement: \$168,880 (one time)**

## **CASH MANAGEMENT**

This section analyzes the district's management of its cash balances. Specifically, we assess whether the district obtains competitive interest rates from banks and whether it operates efficiently e.g., by monitoring bank fees, interest earnings, combining or closing small accounts to reduce bank charges. The team found that, if the district managed its cash balances in a more business-like fashion, it could increase interest earnings up to \$14,813 per year. In addition, the district could probably lower bank fees slightly by combining smaller accounts.

### **Background**

The analysis of Bridgeton's cash balances is based on discussions or interviews with the business administrator and his assistant, and two clerical personnel who are directly responsible for managing the district's bank accounts. We completed a detailed analysis of twelve monthly bank statements for each major bank account to identify average daily balance, fees charged and interest paid, if any, and the interest rate. All our data is for school year 1996/1997.

The team determined whether the district could obtain higher interest rates from its banks by comparing bank rates to the New Jersey Cash Management Fund (NJCMF) and to the 90 Day US Treasury CD rate. Unlike banks, these funds do not provide banking services and they are not required, as banks are, to keep 10% of their balances on hand. These funds, therefore, earn interest on their total balance. We made the following adjustments so we could make a fair comparison between the rates paid by these funds and bank rates. First, we excluded from our analysis that portion of the bank account balance that was used to pay for its fees. Second, we reduced the remaining balance by another 10% to account for the banks reserve requirement.

In cases where no interest amount was earned, different adjustments were required. In these cases, banks did not charge fees and, hence, there is no offsetting balance, and they did not take the 10% reserve requirement. In order to compare the interest rates on these accounts we estimated fees based on our experience with banks statewide and we reduced the remaining balance by 10% to account for a reserve requirement.



## **Analysis**

The district maintains bank balances of \$4.2 million, divided among three banks. In its main bank, the district's balances average \$3.6 million or 87.7% of its total balance. In another bank, its balance is \$542,696, which includes a \$354,237 Certificate of Deposit (CD). In a third bank, its balance is only \$2,739. LGBR supports the district's idea of having one main bank with smaller balances in other banks. This helps the Board in a couple of ways. It can encourage competition among these banks and, by dealing with several banks, the district is aware of new developments and products in the banking world.

The district, however, has not established a competitive environment among the banks in its area by receiving proposals from several banks for its banking business. The district did request and receive one proposal within the past year. According to the district, it was never acted upon because, in the past two years, the district had four different business administrators. The team's analysis of the district's interest earnings indicates they could increase significantly through effective competition among banks.

This next section provides the basis for the \$14,813 overall increase in interest earnings. We show how the increase was derived from each bank and each account including the Certificate of Deposit (CD).

The main bank groups the four major accounts under one general account analysis. This grouping enables the district to receive a higher and more uniform interest rate than it would otherwise receive. The bank uses the common practice of reducing the balance that it pays interest on by 10% to account for a legal reserve requirement. In 1996/1997 the bank charged \$9,383 in banking fees. The bank receives payment for these fees by lowering the balance that it pays interest on to equal the cost of the fees. After taking out fees and the 10% balance requirement the district earns 4.85% interest on the remaining balances. Our comparison of this interest rate to the 5.29% average NJCMF rate indicates that the district can receive a more competitive rate that would increase earnings up to \$13,637 per year.

## **Recommendation:**

**The district should receive proposals from banks for the district's banking business. More competitive rates should increase overall interest earnings. After the initial selection, the district should continue to periodically obtain written proposals from other banks to ensure it retains competitive rates. This will provide greater value to the district and the taxpayer and will help to build stronger banks in the area. The district should work to increase the interest earnings from its main bank by \$13,637 through increased competition with other banks.**

**Revenue Enhancement: \$13,637**

The district maintains three major accounts and one Certificate of Deposit (CD) in a second bank. Two accounts (Bonds and Coupons and High School Activity) have an average balance of \$114,568. The district does not receive any interest on these accounts, nor is it charged any fees and a 10% reserve is not taken. Adjusting for these factors the team's analysis indicates that the

district could increase interest earnings in these two accounts by \$3,900. This includes \$719 for the Bonds and Coupons Account and \$3,181 for the High School Activity Account. Although interest earnings will increase on the High School Activity Account, this money will be allocated to the students rather than to the district. This \$3,181 increase is, therefore, excluded from the team's calculation of savings to the district.

The new business administrator and personnel from the high school (the high school account deals mostly with athletics) have already begun working with the bank to obtain interest on these accounts.

**Recommendation:**

**The district should work to increase the interest earnings by \$719 on the Bonds and Coupon Account through negotiation and increased competition among its banks.**

**Revenue Enhancement: \$719**

This same bank holds one CD valued at \$354,237 with an average interest rate of 5.16% (the CD usually has a maturity date of six months, although the last renewal was for two months). The team compared the average interest rate on this CD with the New Jersey Cash Management Fund (NJCMF). We found that for the same period the average NJCMF rate was 14 basis points higher (5.30%). The difference between these two rates indicates that the district would have earned \$457 more if the funds would have been placed in NJCMF. In addition, the funds would have been completely liquid. The new business administrator is planning to start using NJCMF. He recently had the board approve the fund as a depository of the district's funds. But, the district has not yet established an account.

**Recommendation:**

**The district is encouraged to purchase CDs by obtaining competitive rates.**

**Revenue Enhancement: \$457**

In addition to higher rates, the district can increase its earnings further by reducing routine bank fees where possible. The team identified two low activity accounts in the high school, which the district might be able to combine as sub-accounts with one another. Sub-accounts are especially appropriate when one account has low activity and both share a similar function. These factors apply to these accounts. Eliminating individual, small, low activity accounts reduces bank charges and administrative overhead.

**Recommendation:**

**The district should review its smaller, low activity accounts and try to combine them as sub-accounts with accounts that have a similar function or even close them if appropriate.**

## **GRANTS AND FUNDED PROGRAMS**

Each year the Office of Grants and Funded Programs (hereafter referred to as the grants office) is responsible for about \$2.4 million in federal grant funds and about \$60,000 of state funds mostly for Compensatory Education. The grants office also manages the English as a Second Language Program (ESL).

Six people work in the grants office. The director is the only professional who manages and writes the district's federal and selected state grants. He is assisted by three bilingual secretaries. One secretary spends 20% part of her time providing clerical support in the evening to the Parent Training Center.

The two remaining people are parent educators who are paid from a state grant called Demonstratively Effective Program Aide. Bridgeton is one of five districts in the state that have this program. The two individuals observe children in the classroom and, through home visits and meetings, provide the parents of these children with instruction and information regarding effective parenting, child development, games, materials and strategies to encourage learning.

In the 1996/1997 school year the grants office spent \$200,945 for salaries and fringe benefits for these six individuals. Of this total, \$154,724 was for the costs of salaries and \$46,221 was for fringe benefits.

For at least a ten-year period up to 1996, the grants office had two professionals to manage and write the district's federal grants and five clerical support personnel. According to the director, this number of clerical support personnel was excessive. Over two years, he was able to reduce it to the current number of three. He thinks that this could be reduced by one, even with the adding of a professional position.

### **Recommendation:**

**One excess clerical position can be eliminated from the grants office.**

**Cost Savings: \$23,122**

In June, 1996 one professional position was eliminated from the grants office. The director believes that the original staffing arrangement with two professionals is necessary to properly manage the district's grants and to apply for all available grants. He estimates that the lack of a second professional costs the district anywhere from \$ 0.5 to \$2.0 million in additional grant funds. The director has tried, but has been unsuccessful, in returning the grants office to its former level of two professionals. For example, he recently obtained a federal grant to pay for the position but the prior board would not approve it.

**Recommendation:**

**The district should establish one additional professional position in the grants office. The continuation of this position for the second year should be contingent on the grants office documenting that this position is cost effective. It should be noted, however, that it is standard practice that the cost of applying for and administering grants are included in the total amount of the grant. We estimate that the salary cost of this position to be \$50,000.**

**Value Added Expense: \$50,000**

**If the district fills the additional grant position noted above, the district can, based on a conservative estimate, expect an increase in its revenue of \$500,000.**

**Revenue Enhancement: \$500,000**

**Automation**

The need for automation was observed by the team and noted by the director. Basic information that the team requested had to be developed manually. According to the Director the current computer system gives inadequate detail regarding specific grants. For example, he is unable to tell the budget, appropriation, or when payroll is posted to specific grants.

The records of the grants office were not ready for automation until recently. According to the Audit for the 1996/1997 school year the “records maintained by the board secretary and the directors of the various grant and funded programs, with respect to federal and state funded programs, are not properly organized and, in certain cases, incomplete.” Originally, the records were organized only by the grant title. Now they are organized by program title, school year, and by school. Moreover, the director now obtains updated reporting on grants that are managed by other offices in the district.

The need to use modern business systems is also seen in the lack of phone mail, which is an automated answering system. Phone mail eliminates the need for a clerical person to answer the phone, listen to the caller’s message, write down the message and deliver it to the person who is being called. The three secretaries each carryout these activities.

**Recommendation:**

**The district should computerize grant records and establish phone mail. These changes would reduce the need for clerical personnel in the grants office by ½ of an equivalent (FTE). This would leave the office with 1.5 clerical personnel. If the district decides to add the professional position, any critical activities that the clerical person might carryout could be assigned to the professional.**

**Cost Savings: \$13,755**

## **Return of Funds**

One way to assess the effectiveness of the grant's office is to analyze the amount of funds returned to the grantor. The team noted in the 1996/1997 school year that the district returned \$66,204 or 1.6% of the total \$4.2 million in Federal expenditures. Nearly 70% of the money returned was in two grants. One was called the Eisenhower Grant, which is used to help all teachers enhance their math or science skills. The other grant was for the Summer Feeding Program. This grant is managed outside the grant office and provides breakfasts and lunch from June through August to needy children.

Our search to find out why funds were returned for the Summer Feeding Program in the 1996/1997 school year began at the district. However, the team found that the district had limited information because both personnel responsible for the program in the 1996/1997 period have left the district. We then contacted the New Jersey Department of Agriculture, which is the federal conduit for these funds. Their information indicates that the amount shown in the audit as returned is not reflected in their records. In fact, their records indicate that the program began during that year and did a good job for the first year. The Department of Agriculture believes that the amount shown as returned is an accounting error.

The team also reviewed the return of \$25,000 in federal funds for the Eisenhower Grant.

Eisenhower funds can be used for professional development activities of teachers (not just math and science teachers) to enhance their teaching skills. We found that on June 30, 1996 the district had \$25,577 in Eisenhower funds available and on June 30, 1997 these same funds were returned to the grantor. We found that while the district returned \$25,000 of unused Eisenhower funds, it spent nearly \$199,528 in teacher development activities. If only 12.5% of the total expenditures for professional development was related to math and science, the district should have used all of these Eisenhower Funds.

The reason these federal funds were not used is the lack of coordination with the grants office. Historically and currently, the approval process to spend staff development funds, including tuition reimbursement, excludes the grants office. As a result state funds are approved for expenditure while available federal funds are unused.

## **Recommendation:**

**The district should improve its coordination of the use of grant funds. Improved coordination would have resulted in spending all of the available Eisenhower funds rather than returning \$25,000 in unused funds back to the federal government.**

**Revenue Enhancement: \$25,000**

## **LEGAL FEES**

According to CAFR reports, legal fees totaled \$148,145 for the past five years, or an average of \$29,629 per year. The team's analysis of vendor and payroll records revealed that the district's

legal expenses over the past two years, 1995/96 and 1996/97, totaled \$16,523 and \$30,623, respectively.

The team was unable to review any records supporting legal fees paid for three of the past five years because district personnel were unable to provide such documentation as requested. The vendor records reviewed disclosed that \$16,247 of legal fees paid during the 1995/96 school year and \$16,799 of legal fees paid in 1996/97 was paid to the board solicitor. The balance of \$14,100 of legal fees reported for the 1996/97 school year was used for miscellaneous legal expense for other attorneys' services, supplies and arbitration costs.

The relationship between the solicitor and the Bridgeton Board of Education is that of employee and employer. The team's review of former contracts between the solicitor and the board revealed that there was no description of the types of services that were rendered by the solicitor and no hourly rate nor retainer value was covered in the contract. According to the assistant board secretary, the district's solicitor has been an employee of Bridgeton's School District since 1972 and there has never been a break in his employment with the district. As a district employee, the solicitor is provided with health and dental benefits. He also participates in the district's pension and prescription plans and employment taxes are paid on his salary.

#### **Recommendation:**

**The team recommends that the district's employer/employee relationship with the solicitor be changed to a professional services contractual relationship which will result in an estimated savings of \$16,570 - the amount paid in pension, medical benefits and employee taxes.**

**Cost Savings: \$16,570**

There was no written contract between the solicitor and the board in place for the 1996/97 school year. There was, however, a letter from the district's superintendent of schools, which continued the solicitor's employment for the 1996/97 school year at an annual salary of \$16,799.

#### **Recommendation:**

**It is also recommended that the board seek competitive proposals for legal services and that the district arrange for a formal contract with a legal firm for basic solicitor/legal services that contains a retainer fee for specific services. Duties that are to be performed by the firm should be clearly outlined with a written fee schedule for services outside of the base contract arrangements.**

The team's analysis of vendor records revealed that for the school year ending June 30, 1997, legal services provided by the solicitor included labor negotiations, board meeting attendance, salary scale development, review of board minutes, mediation of personnel complaints and grievances and participation in labor arbitrations.

**Recommendation:**

**The district should also review its actual need for legal consultation in the development of policies and salary scales. It is suggested that the district utilize its in-house professional staff for such tasks, thereby, saving its use of legal consultation for review of more technical matters.**

**AUDITOR CONTRACT**

For the past two school years, the board has contracted with an accounting firm to do its annual audit at a cost of \$24,868. These costs include fees that the accounting firm charged to audit and report the results of such in the Comprehensive Annual Financial Report (CAFR) and to prepare the requisite OMB Schedules. Fees charged to perform the CAFR audit and preparation of OMB Schedules are quoted on a per audit basis.

The following are the results of a comparative review of 1996/97 CAFR audit costs charged to Bridgeton and another south Jersey district having similar enrollments.

	<b>Bridgeton</b>	<b>Pleasantville</b>
<b>CARF Audit Fees</b>	<b>\$24,868</b>	<b>\$18,000</b>
<b>Annual Expenditures</b>	<b>\$36,000,000</b>	<b>\$30,100,000</b>

Bridgeton paid \$6,868, or 38% more than Pleasantville for the 1996/97 CAFR audit. It was also noted from the review that the CAFR auditing expense accounted for approximately 7% of Bridgeton's total expenditures and approximately 6% of Pleasantville's total expenditures for the 1996/97 school year.

**Recommendation:**

**The district should seek requests for proposals (RFPs) from different audit firms in order to promote competition, which should result in lower auditor costs. The district should enter into a more detailed contract with its auditor and include a statement of assurance of accuracy.**

**Cost Savings: \$6,868**

**HEALTH BENEFITS****Excess Payments for Health Coverage**

Employees usually leave a school district either because they find employment elsewhere and resign or they retire. For districts participating in the State Health Benefits Plan, when someone leaves the district it notifies the State Treasury Department's Division of Pensions and Benefits, State Health Benefits Section. When the state terminates coverage the district is no longer charged. In the 1996/1997 school year the district requested that the state terminate coverage on 48 people.

Normally, these terminations are processed in a timely manner and the district is not charged for coverage after employees leave the district. However, in the 1996/1997 school year the district has been trying for over one year to terminate coverage for five people. Coverage for these individuals continued from 13 to 16 months after they left the district.

The team discussed this situation with the district and personnel from the State Health Benefits Section. Apparently, there were a number of communication breakdowns, including the lack of notifying supervisors and managers, both at the district and the State Health Benefits Section. The State Health Benefits Section indicated that the district will probably be reimbursed for the full \$26,796.

**The district should actively pursue the recovery of the \$26,796 overpayment to the State Health Benefits Section.**

**Revenue Enhancement: \$26,796**

## **WORKERS' COMPENSATION**

### **Background**

The district, participates in a joint insurance fund (JIF) for its workers' compensation insurance. Over the past five years annual premiums have averaged \$227,884.

Historically, when it came time to renew its policy the district simply did so without receiving proposals from several vendors. This lack of competition resulted in higher than necessary costs for the district and, of course, the taxpayer. For example, in the 1996/1997 school year the district took an important first step by receiving proposals from several vendors. This resulted in a \$36,225 or 14.8% reduction in premium cost. We commend the district for taking this important step.

The district, however, needs to do more. The team believes that if the district establishes an effective safety program and a stronger safety culture, the frequency and severity of workers' compensation claims will decrease, thereby reducing premium costs by another \$20,800.

The cost that Bridgeton pays for workers' compensation coverage is based on the type of employees they have and the frequency and severity of claims. The frequency and severity of claims is called the "experience factor." This factor is expressed as a decimal and ranges from around a .50, which is excellent, to .90 and above, which is poor. Bridgeton has a poor experience factor for the next school year it will be .952.

Bridgeton can lower this by establishing a more effective safety program and a stronger culture of safety. A safety program includes many areas such as: safety organization, which includes having a safety committee; regulatory, i.e., meeting regulatory requirements; loss control to minimize the number and severity of claims; safe physical facilities; fire safety equipment and planning; and, life safety, such as the proper location and type of exits.



The first area, safety organization, is critical because it provides the organization structure from which top management directs and manages its safety efforts. For example, it includes the appointment of a district coordinator, a safety committee, and holding district and staff level meetings. Doing these things shows top management's support for safety and helps to establish a strong safety culture. This support, and a culture of safety, are critical when dealing with a complicated, broad based effort involving teachers, professional and nonprofessional staff, and students. According to experts in the insurance field, the district coordinator should be someone who reports directly to the superintendent. This reporting relationship will give a clear signal that safety is important.

Several factors indicate that the district's safety efforts can be more effective. First, in a 1995 safety audit the district scored a 72, which is significantly below the expected score of 85, according to the insurance carriers loss control manager. In the key area of "Safety Organization" the district did very poorly in 8 out of the 9 components. This situation has not improved much. For example, in 1998 the team found that a meaningful safety committee still does not exist.

Second, the insurance carrier's loss control manager analyzed Bridgeton's loss experience and found that the district's claims per million dollars of payroll was 42.6% higher than the average of the other districts in the joint insurance fund (JIF).

Third, there is a trend toward increasing numbers of claims. The team identified the number of claims as a percent of total employees over the past six years. The average percent for the three years of 1991/1992 through 1993/1994 was 7.1%. The average percent for the most recent three years was 8.7%. This represents a 22.5% increase.

According to the insurance carrier's loss control manager, if the district had an effective safety program with clear support from top management to maintain a culture of safety, the district's premium costs could be reduced by 10% or \$20,800. Moreover, the district's insurance carrier will provide the training to implement an effective safety program at no cost to the district.

### **Recommendation:**

**The district should implement an effective safety program. The district's insurance carrier will provide training to accomplish this at no cost. Establishing an effective safety program and a culture of safety will reduce premium costs by \$20,800 per year.**

**Cost Savings: \$20,800**

## **INSURANCE/OTHER**

### **Brokerage Services**

The team was advised that the current broker of record has been providing services to the district for, at least, the past 10 years. While the value of long term professional relationships are important, it is just as important for an organization to periodically "test" the market to make sure they are getting the highest level of service at the best price. In the review of the district's

documents it was determined that the district has not established clear disclosure forms or methods which clearly state how its broker is paid. The team believes that this information is important to help the district evaluate proposals from brokers and understand all factors that could impact on a broker's goal to find the best value for the district.

#### **Recommendation:**

**In keeping with good business practice, the team recommends that the district periodically seek competitive proposals for broker services. The district should use industry standards to evaluate these proposals. We believe this will help to keep the district moving forward to reduce costs and improve service in the future.**

#### **Property and Casualty Insurance**

In the 1996/1997 school year the district paid \$309,601 in insurance premiums for its property, casualty and miscellaneous insurance. Up to this time the district did not receive competitive proposals from several vendors; instead, it simply renewed the policies each year.

This changed in the 1997/1998 school year when the district received proposals from several vendors. As a result, the cost of property, casualty and miscellaneous insurance was reduced to \$198,692 for a reduction of \$110,909 or 35.8%. LGBR commends the district for this major positive step to save taxpayer dollars.

Discussions with the business administrator and the district's insurance broker indicate that these reductions resulted from receiving competitive proposals. The amount, type, or deductible levels did not change. The district continues to look for opportunities to reduce costs. It considered increasing deductibles, lowering coverage maximums, etc. but decided that any savings would be offset by unacceptable increases in risk. However, the district is considering joining another joint insurance fund (JIF). They are looking at a new JIF forming in the Cumberland and Salem County areas.

#### **Recommendation:**

**The district should continue to move forward to reduce the costs of property, casualty, and miscellaneous insurance by periodically receiving competitive proposals from various vendors.**

### **HEALTH SERVICES**

The health services for the Bridgeton School District, with a student population of approximately 4000 students, are provided by six full-time nurses distributed among the schools, along with six clerical and one doctors' practice, made up of four doctors.

The doctors' office is responsible for performing physicals for athletes, classified students and students requiring drug screenings. The primary functions of the nurses include general student assistance (first aid and medical checks), administering individual medications, some instructional

assistance, conducting screening for physicals, coordination of inoculations and making referrals. All the nurses are state certified RNs.

Clerical functions include typing accident reports, CST home contact reports, referrals, post immunizations, fluoride treatments, and contacting parents.

The 1996/97 district expenditure for health services was \$343,618, an increase of \$48,357 over that of 1994/95. This increase is largely due to increases in salaries, which represent 40% of the total increase. Professional and technical health services also increased significantly. The combination of these factors has resulted in an overall increase of 14.1% in the health service expenditure from 1994/95 to 1996/97.

In addition to the typical health services provided by the school district, in the middle and high schools are Kids' Corners. Kids' Corners are school based youth service programs consisting of one nurse/practitioner, one secretary, and one mental health person. These people are employed by the local hospital and provide such services as specific medical care, mental health assistance, dental referrals, etc.

#### **Recommendation:**

**The LGBR review team recommends that clerical staffing for the nurses' offices be reduced from six to three full time equivalents (FTE's) one FTE to provide clerical services for the high school and one for the middle school, plus one FTE to serve the elementary schools, moving among the schools daily or semi-daily. The team believes that this can be accomplished by further automation, and, as is the practice in other districts, having the nursing staff assist with this function.**

**Cost Savings: \$69,000**

### **BOARD MEMBER EXPENSES**

An analysis of board member expenses for the 1996/97 school year was conducted by the review team. It revealed that the board paid \$25,298 for New Jersey School Board Association membership, \$248 for flowers, \$6,259 for conferences and workshops, \$2,146 for food, \$1,399 for trophies, \$2,950 in-state travel reimbursement, and \$2,398 for miscellaneous expenses. The Bridgeton Board of Education does not issue credit cards or cellular phones to board members. It was noted that most conferences attended by members during the 1996/97 school year were within the state. Funds expended by board members were properly authorized and were not excessive. Overall, the board used its account funds appropriately.

### **PHOTOCOPY MANAGEMENT**

There were approximately 30 photocopier machines located within the district's seven schools and board offices during the 1996/97 school year. The district expended \$208,844 for photocopying services for the 1996/97 school year. Approximately 98% of the photocopiers were leased for a five year period and carried a purchase option. The district normally enters into

similar five-year leasing arrangements at the end of each lease. This has been the prevailing leasing arrangement that the district has been engaged in with vendors for the past 10 years.

The LGBR team analyzed 12 or 40% of the copiers that were in use during the 1996/97 school year. These machines were selected based on the most available detailed costs and usage records maintained by the district for the 1996/97 school year. The team noticed that six of the copiers included in the analysis were capable of producing up to 400,000 copies per month, yet not one of these machines made more than 150,000 copies in any month during the 1996/97 school year. Seven of the copiers produced an average of 2,927 copies per month and the remaining five copiers, which were high-speed models, produced an average of 84,275 copies per month.

The state of New Jersey has a per-copy contract which contracts for photocopies, not photocopiers. This contract is available for school districts' use. The contract is awarded to various primary and secondary vendors throughout the state, based upon the anticipated number of monthly copies required, and is intended for copiers making, on average, less than 100,000 copies per month. Under this arrangement, the customer only pays for photocopies made. The vendor provides the client with a copier. There are no lease payments or options to purchase the machine. All equipment, parts and supplies, with the exception of paper and staples, are included in a monthly fee.

The following is a comparative analysis of costs paid by the district in the 1996/97 school year for the 12 copiers used in the analysis and the costs available through the state's per copy contract:

<b>Copier</b>	<b>Average Monthly Volume</b>	<b>Average Monthly Costs</b>	<b>Estimated Cost Per Copy</b>	<b>Monthly Savings</b>	<b>Annual Savings</b>
1	47,956	\$1,199.51	\$419.62	\$779.89	\$9,358.68
2	73,310	\$1,210.81	\$652.46	\$558.35	\$6,700.20
3	91,427	\$1,528.70	\$813.70	\$715.00	\$8,580.00
4	10,205	\$973.86	\$130.12	\$843.74	\$10,124.88
5	16,946	\$483.27	\$216.07	\$247.20	\$3,206.40
6	3,956	\$224.45	\$89.01	\$136.44	\$1,637.28
7	38,965	\$1,869.38	\$360.43	\$1,508.95	\$18,107.40
8	29,521	\$784.15	\$287.83	\$496.32	\$5,955.84
9	6,956	\$239.48	\$101.56	\$137.92	\$1,655.04
10	78,594	\$1,654.98	\$699.49	\$955.49	\$11,465.88
11	78,300	\$1,562.49	\$696.87	\$865.62	\$10,387.44
12	99,743	\$1,808.86	\$887.71	\$921.15	\$11,053.80
<b>Total</b>	<b>575,879</b>	<b>\$13,539.94</b>	<b>\$5,354.87</b>	<b>\$8,186.07</b>	<b>\$98,232.84</b>

**Recommendation:**

**The district should consider utilizing the state's cost per copy contract. Based upon the amount expended in 1996/97 for photocopies and supplies costs, the district could possibly achieve an estimated savings of \$107,918. This savings is only associated with the 12 photocopiers used in the team's analysis. However, additional savings will result if the district would analyze the usage and cost of the other 18 photocopiers.**

**Cost per Copy: \$98,233**

**Supplies: \$9,685**

**Cost Savings: \$107,918**

**SECURITY**

The purpose of the security function in a school district is to help foster an appropriate learning environment. The Bridgeton district has 11 full-time security monitors, covering nearly 1,700 students in the middle school and the high school. These individuals monitor hallway traffic and building security. They wear a jacket with a small logo, which identifies them as security personnel, and report to the principal of their respective school. The district trains these individuals in appropriate methods to restrain students.

The district does not coordinate the security function district-wide. For example, no one is assigned to track trends in security issues that occur in both the high school and the middle school. In addition, no one shifts the assignment of security personnel between the high school and the middle school if temporary changes occur in security needs, or to address absences of security personnel due to illness.

**Recommendations:**

**The district should centralize administrative control of the security functions. It should assign current personnel with the additional part-time responsibility to coordinate the security function between the high school and the middle school. This would include both monitoring changes in the district's security needs and moving security personnel between the high school and the middle school based on changes in security needs or to cover absences of security personnel.**

In the 1996/1997 school year security personnel cost the district a total of \$205,293. This included \$137,214 in salary and \$68,079 in fringe benefits costs.

In 1997, the district applied for, and received, \$100,000 of its additional Abbott funds to add 48 cameras to expand coverage from buses to include hallways and cafeterias. The district believes that cameras help to improve student behavior and expanding the use of cameras will help to maintain an appropriate learning environment. We commend the district for using technology to

enhance the district's ability to monitor hallways and the cafeteria, thereby, ensuring that an appropriate learning environment continues.

#### **Recommendation:**

**The team believes that the addition of 48 cameras offers opportunities to use security personnel more efficiently. We estimate, conservatively, that the additional cameras will reduce security needs by 10%. This would result because security personnel will be able to monitor many areas simultaneously and send security personnel to specific locations as the need arises. However, the district would need to apply for a waiver to the Department of Education because the number of security guards would be below state standards. If the waiver is approved, the 10% reduction in the need for security personnel would save the district \$20,500 per year.**

**Cost Savings: \$20,500**

The team also believes that the district's security function appears to be reasonably effective as indicated by interviews and the general downward trend in the number of security related incidents. We interviewed teachers from the high school and the middle school on their perceptions of the security function. Generally, they believed that the security function was effective in helping to maintain a good learning environment. Although the overall number of security incidents is declining, this downward trend does not appear to apply to substance abuse.

### **FOOD SERVICE**

The LGBR team's review of the district's food service program was conducted based on interviews of the food service director and various department staff members. The team also toured the district's school production and satellite kitchens, cafeterias and food storage facilities. An analysis of financial data reported in the district's Comprehensive Annual Financial Reports (CAFRs) was conducted for the years ending June 30, 1995, 1996 and 1997 in conjunction with supporting financial records for the years under review.

According to CAFR and budget guidelines, the entire operation of a school district's food service program must be recorded in a separate enterprise fund if the district receives state and/or federal reimbursement for food service costs and collects fees from students for the cost of meals. If the board funds the entire cost of the food service operation, the expense should be reported in the general fund. Additionally, if the board contributes any funds toward the food service operation, it is to be recorded in the enterprise account as a lump sum contribution.

Bridgeton has been state-designated eligible for governmental "severe need reimbursement", which occurs when more than 40% of free and reduced breakfasts are served and more than 60% of free and reduced lunches are served. The district receives state and federal reimbursements for food service costs and collects fees from students for meals. The district records the results of its food service operations and financial transactions in a separate enterprise fund account in accordance with CAFR and budget guidelines.

The district's food service program has been a member of a joint purchasing cooperative for the past two years. Ice cream and milk are the only items that are currently being purchased through the co-op. The items purchased through the co-op are stored at a local company's freezer. This arrangement saves on delivery fees and increased storage space in the freezers of the district schools. In addition to purchases made through the co-op, the director uses USDA commodities and purchases food from board-approved vendors. Inventories of food items are maintained via a computer program and an inventory is conducted on a monthly basis.

Lunches are served in all seven schools in the district. According to the district's CAFR report for the year ended 6/30/97, there were 733,910 meals served in the district. This equates to an approximate 94% participation rate based on total district student enrollment for the 1996/97 school year.

The district's food service program charges \$1.25 for high school and middle school lunches and \$1.15 for elementary lunches. Reduced price lunches are \$.40. Teachers and staff members purchase their meals ala carte.

The district has two production kitchens and five satellite kitchens. The production kitchens are located at Bridgeton High and Bridgeton Middle Schools. The satellite kitchens are located at each of the five elementary schools. Each satellite kitchen is equipped with ovens to heat prepackaged meals that are delivered by a district owned vehicle from the Bridgeton Middle School production kitchen.

**TABLE #1  
KITCHENS AND STAFF LOCATIONS**

<b>School Employees</b>	<b>Kitchen Style</b>	<b>F/T Director</b>	<b>F/T Mgr.</b>	<b>F/T Cook</b>	<b>F/T Empl</b>	<b>P/T Empl</b>	<b>Truck Driver</b>	<b>Total</b>
<b>High School</b>	<b>Production</b>	<b>1</b>		<b>1</b>	<b>8</b>			<b>10</b>
<b>Middle School</b>	<b>Production</b>		<b>1</b>	<b>1</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>18</b>
<b>West End</b>	<b>Satellite</b>				<b>1</b>	<b>1</b>		<b>2</b>
<b>Buckshutem</b>	<b>Satellite</b>					<b>1</b>		<b>1</b>
<b>Indian Ave.</b>	<b>Satellite</b>					<b>1</b>		<b>1</b>
<b>Cherry St.</b>	<b>Satellite</b>					<b>1</b>		<b>1</b>
<b>Quarter Mile</b>	<b>Satellite</b>					<b>1</b>		<b>1</b>
<b>TOTAL</b>		<b>1</b>	<b>1</b>	<b>2</b>	<b>22</b>	<b>7</b>	<b>1</b>	<b>34</b>

#### **Analysis of Food Service Program**

The results of operation of the district's food service program for the years indicated are illustrated as follows:

**TABLE #2**  
**BRIDGETON BOARD OF EDUCATION**  
**RESULTS OF OPERATIONS FOR THE YEARS ENDED 1994 TO 1997**

<b>INCOME</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Daily Sales	\$228,778	\$239,691	\$198,505	\$206,832
Other Income	----	----	----	\$102,650
Non Operating Revenues	\$1,136,643	\$1,189,464	\$1,230,772	\$1,259,828
<b>TOTAL INCOME</b>	<b>1,365,421</b>	<b>\$1,429,155</b>	<b>\$1,429,277</b>	<b>\$1,569,310</b>
<b>OPERATING EXPENSE</b>				
Cost of Food	\$540,874	\$545,495	\$546,474	\$581,114
Supplies & Materials	\$67,462	\$65,216	\$79,211	\$76,084
Employee Benefits	\$288,408	\$276,251	\$235,282	\$237,507
Depreciation	\$9,294	\$13,904	\$15,856	\$16,467
Other Expense	\$409	\$335	\$630	\$14,833
<b>Total Operating Expense</b>	<b>\$1,357,474</b>	<b>\$1,369,033</b>	<b>\$1,316,317</b>	<b>\$1,431,431</b>
<b>NET INCOME</b>	<b>\$7,947</b>	<b>\$60,123</b>	<b>\$112,960</b>	<b>\$137,880</b>

Based on the information listed above, the district's food service program has been profitable. It was noted from the review of the 1995 CAFR report that the board contributed \$55,369 to the food service fund to cover the purchase of a new food-wrapping machine.

An analysis of the district's food service monthly labor costs, lunch and breakfast costs was conducted in accordance with standards and formulas used by the food service industry to assess the program's efficiency and productivity. The results of the analysis yielded the number of "meals served per work hour" (MPWH).

According to food service industry standards, a food service program should be able to produce at least 15 MPWH. Any number below this standard number could possibly indicate that there are too many workers on the payroll, which, in turn drives the cost up in terms of salaries and benefits paid for these workers. It may also indicate that the workers are allowed to work too many hours. According to industry findings, most cafeteria workers should work a minimum of five hours per day.

The team's analysis of the district's October 1996 food sales and income revealed that 19 meals were produced per work hour by the cafeteria staff. It should be noted that since the formula used in calculating the MPWH is based on monthly figures, the results achieved might vary from month to month. The sample month used in the team's calculation was selected because of the high rate of meals served during that time. The results thus achieved in this calculation would indicate that the food service staff has been efficient and productive.



The team performed an analysis of the food service lunch program to determine whether the district could increase its lunch sales income. The results of the analysis revealed that the district could earn an average rate of \$2.00 per meal. The difference between the rate achieved from the analysis and the average amount charged for students lunches could have yielded the district an additional \$44,973 during the 96/97 school year. Although lunch prices are considerably lower than the \$1.85 per meal allowed, it is not suggested that the district increase lunch prices to attempt to increase its profits. It is suggested that the district enhance its menus by offering more “popular” foods choices for sale. Industry trends have shown that, by offering more “popular” preferred items to students, the consumption rate increases, hence, bringing in additional income.

It should be noted that other school districts have been successful in boosting their food service earnings by using more popular brands of foods, introducing a deli or pasta bar, offering promotional theme days or offering favorite fast food items. Such proactive attempts could possible increase student, faculty and staff participation in the district’s food service program, which could lead to increased sales.

It was determined from the team’s analysis of the profitability of the lunch program that the district could have realized an additional \$29,261 of income from lunch sold to each secondary students and \$15,712 from lunch sold to elementary students for the 1996/97 school year as follows:

	<u>Secondary</u>	<u>Elementary</u>
Amount that should be earned per meal	\$2.00	\$2.00
Amount charged for lunch (\$1.25 & \$1.15)	<u>\$1.25</u>	<u>\$1.15</u>
	\$ .75	\$ .85
# of secondary meals purchased 1996/97	39,015	18,485
Multiply by the difference (\$ .075)	\$29,261	\$15,712

#### **Recommendation:**

**The review team recommends that the district consider enhancing its menu in-order to insure sales.**

**Revenue Enhancement: \$44,973**

### **PURCHASING AND INVENTORY CONTROL**

#### **Purchasing Overview**

Except for purchasing paper and maintenance supplies, the district’s purchasing function is basically decentralized i.e., each unit within the business office, or each school identifies its needs for materials, supplies and equipment and requests approval to purchase them. These requests are then processed by the business office as detailed below.

The district tries to keep taxpayer costs low by participating in cooperative or joint purchasing agreements with county government and other school districts. Purchasing cooperatively usually results in lower prices because of larger volumes. A cooperative agreement exists with the Cumberland County Educational Cooperative. This entity combines the purchasing needs of school boards from various cities in the county for selected items. Bridgeton participates in a number of programs sponsored by the cooperative including; some transportation components (out-of district special education, homeless, and non-public); drug and alcohol testing; substitute teacher workshop; environmental testing including Right-To-Know; ice cream; etc. In addition, the district has entered into a joint purchasing agreement with Pittsgrove school board to purchase paper.

### **Classroom, Office and Paper Supplies**

The district's purchasing and inventory control of office and classroom supplies occurs basically once per year. In April and May, each school, and each unit within the business office, determines the amount of supplies and equipment they need. The principal in each school and the supervisor in each unit within the business office approves the purchase. They then fill out the purchase order (PO) including the account numbers. All of these POs are sent to the business office where they are approved by the business administrator and the superintendent. School supplies are received during the second week in August. They are stored at each school or at each unit in the business office. Each principal or supervisor is responsible for monitoring usage throughout the year and will submit POs during the year if additional items are required.

Unlike classroom and office supplies, ordering and purchasing paper is done centrally and through a joint effort with the Pittsgrove School District. This purchasing relationship has existed for about eight years and, as noted earlier, helps the district to obtain a lower price from the vendor. This paper is delivered to the district's warehouse in September. Warehouse personnel deliver orders throughout the year to each school as needed.

The vendor for paper is not under state contract. But, according to the Pittsgrove School District, the price is 10% below the state contract price and the vendor meets all of the terms and conditions of the state contract. Moreover, to ensure that the lowest price is obtained, the Pittsgrove School District periodically obtains bids from various vendors.

### **Maintenance Supplies**

The district purchases and controls maintenance supplies centrally. While the purchasing system seems to be adequate, it can be improved. Each year the district purchases maintenance supplies as a package. The maintenance supervisor knows the amount of supplies needed because he maintains an inventory of supplies currently on hand and compares last year's usage to this year's. In April or May he identifies next year's needs and any surplus amounts in the current year. He then prepares next year's order accordingly. The supervisor uses state contract vendors or non-state contract vendors, depending on product availability, price, and quality. When non-contract vendors are used, the district receives quotations from several vendors.

During the first week of July supplies are delivered to the district's maintenance and storage facility. When the head custodian at a school or maintenance supervisor needs supplies they

submit a request to the clerical person at the warehouse. The supplies are then delivered to the school by one of the warehouse personnel.

The warehouse supervisor tracks the use of all supplies for the entire district and then compares this to the prior year's amount. However, he does not compare usage among the seven different schools. Therefore, the district can't identify if some head custodians use supplies more wisely than others, or if some head custodians have inadequate control over the supplies that they receive.

### **Recommendations:**

**The district should analyze the use of maintenance supplies by each school. This will enable the district to identify and reward those head custodians who manage their resources wisely.**

### **Purchasing Gasoline and Diesel Fuel**

In the 1996/1997 school year the district used 21,169 gallons of gasoline and 35,873 gallons of diesel fuel. The large majority of this fuel usage results from operating the district's 34 school buses. The district has a contract with a local vendor for its motor fuels. About every two years the district receives bids from various vendors for its fuel contract. The contract in place at the time of the review expired June 30, 1998.

A comparison of the vendor to the state contract price indicates that the vendor is on average .250 cents per gallon higher for gasoline and .047 cents per gallon higher for diesel fuel. Based on the amount of gasoline and diesel consumed, the district should be able to reduce costs by \$6,973 per year if it can obtain access to a government facility that can accommodate its vehicles, especially its 34 buses.

Currently, the closest facility is the Cumberland County Office Building on East Commerce Street about ¼ mile outside Bridgeton's City limits. The close proximity of this building to Bridgeton makes it reasonably convenient for refueling. The district can purchase the fuel through the County's Cooperative Purchasing Program (in the future, the district may be able to use the state prison facility).

However, personnel at the Cooperative Purchasing Program have a concern about the district's buses and the county's vehicles trying to use the pumps simultaneously. The number of pumps and the physical space is limited. In fact, County personnel asked if the buses could avoid the 7:00 a.m. to 9:00 a.m. time frame.

The team believes that this problem can be solved by developing scheduling alternatives. First, the facility is already open 24 hour per day. Buses could refuel at the end of the day or before 7:00 a.m. the next day. Discussions with the district's transportation coordinator indicates that this should not be problem except for one bus.

## **Recommendations:**

**The district should work with the County Cooperative Purchasing Program to develop a schedule so that the district's vehicles could be refueled at the County Building on East Commerce Street. This will reduce yearly fuel costs by \$6,973.**

**Cost Savings: \$6,973**

## **Tax Exemptions**

The district, like all government entities, is exempt from state and federal taxes on gasoline and diesel fuel for vehicles that it owns or leases. The district must apply for this exemption from state and federal taxes by completing two state tax forms and giving them to the vendor. The vendor submits these forms to their supplier, who ultimately includes them in their state and federal tax returns. Depending on various factors, some vendors simply lower the costs to account for these exemptions and others collect the full amount and rebate the exemptions at a later date.

The team's analysis indicates that the district uses roughly 57,042 gallons of gasoline and diesel fuel per year. The combined federal and state tax is .329 cents per gallon on gasoline and .419 cents per gallon on diesel fuel. The district uses 21,169 gallons of gasoline and 35,873 gallons of diesel fuel per year. Accordingly, the district should be exempt from paying about \$26,000 per year in federal and state taxes.

However, the team analyzed the district's vendor bills for gasoline and diesel fuel and found that the vendor exempted the district from only one, of the two parts, of the state tax. The vendor failed to exempt the district from the State's Petroleum Products Gross Receipts Tax which is .04 cents per gallon on both gasoline and diesel fuel.

The team discussed this issue with the district and the vendor. The district was not aware of the Petroleum Products Gross Receipts Tax exemption. It simply accepted what the vendor submitted. The vendor, who is under a 22-month contract with the district, was also not aware of this exemption.

Applying the .04 cents per gallon to the 57,042 gallons per year indicates that the district will reduce annual costs by about \$2,281 per year. According to the State Treasury Department's Division of Taxation (Excise Tax Section) the statute of limitations for rebates is four years. The team helped the vendor to obtain the proper form from the Division of Taxation and the vendor is currently documenting four years worth of rebates. Assuming that the district will be reimbursed for the four years, it can expect a check for about \$9,124 (\$2,281 per year times four years).

## **Recommendations:**

**The district needs to purchase its motor fuels in a more businesslike manner. It should be aware of the exemptions available to it and periodically check to ensure that vendors adhere to these exemptions. Better monitoring of motor fuel purchases and obtaining all**

**vendor rebates will reduce the district's annual fuel costs by \$2,281. In addition, the district will receive a one-time-savings of \$9,124 from a four-year rebate.**

**Cost Savings: \$11,405**

### **Fixed Assets**

The 1996/1997 audit cited the district for not having a current fixed asset inventory as required by state law.

The district however, has not corrected this situation. According to personnel responsible for maintaining the fixed asset inventory, the situation has not been corrected because of two interrelated problems. First, the principals in the schools do not make sure that the proper forms are filled out when new or updated equipment is purchased and received in the school. Second, the district was discussing hiring a private vendor to complete the backlogged work. However, because of personnel issues i.e., the turnover in the business administrators position and the district's decision to hire a new superintendent, no action has been taken.

The team understands the changes in personnel can impact operations. However, the district must keep a current inventory so it can complete accurate financial reports and maintain accurate records. This is particularly important because of the decision to buy new computers and the need to properly track and account for these assets.

### **Recommendations:**

**The district should up-date its inventory system as soon as practicable. It should immediately establish proper control over items that are more susceptible to theft such as computer equipment and software.**

## **OVERTIME OPERATIONS AND MAINTENANCE OF PLANT SERVICES**

Overtime is granted to custodians based on their response to an overtime survey letter that the maintenance supervisor sends out to each custodian at the beginning of each school year. Custodians who respond to the survey are placed on the district's overtime roster for Saturdays and school programs assignments. Any overtime worked by custodians is monitored by a work order request form that must be completed before the custodian performs the assigned task.

### **Recommendations:**

**Rather than paying overtime, the district should attempt to hire more student custodian at a lower rate of pay, which could result in an estimated savings of \$19,390. The student custodians could be supervised by the two assistant supervisors who would be on duty during shifts worked by the students.**

**Cost Savings: \$19,390**

**Another consideration is a shifting of workweek assignments to have some custodians work a Tuesday through Saturday schedule. This would eliminate all or most Saturday overtime work. This will allow for additional savings.**

A time clock is used to document hours worked by custodial and maintenance staff. Overtime slips are filled out, in addition to hours worked, and are forwarded to the district's payroll bookkeeper for processing. At the present time, custodial and maintenance payroll records are manually produced. According to the maintenance supervisor, this function will be computerized in the near future.

The total square footage of the eight buildings maintained by the custodial staff, excluding student custodian, is 561,414 square feet. This equates to 14,395 sq. ft. per custodian. The district's architect of record provided the following information regarding the approximate square footage and age of each building including additions:

<b><u>Name of Building</u></b>	<b><u>Date of Construction</u></b>	<b><u>Approximate Sq. Foot</u></b>
Bridgeton High School	1959	177,000
Bridgeton Middle School	1922/1930/1976/1988	147,200
Buckshutem Elementary	1951/1962/1988/1993	27,800
Cherry Street Elementary	1962/1975/1973	58,034
Indian Avenue Elementary	1955/1962/1975/1987	57,493
Quarter Mile Lane Elementary	1955/192/1987/1996	25,250
West Avenue Elementary	1962/1994	43,200
Administrative Building	1892	<u>25,437</u>
<b>TOTAL</b>		<b>561,414</b>

#### **Analysis of Custodial Services Cost**

The custodial staff was paid a total of \$1,352,355 in wages and benefits to clean an interior area of approximately 533,343 square feet for the 1996/97 school year. The interior square footage of the district's eight buildings was calculated by taking 95% of the gross square footage of the buildings that were listed in the district facilities planning report to the state's Department of Education. The architect's square footage figures were used because the maintenance supervisor was unable to provide the team with any interior square footage figures.

The team performed a custodial staffing level and cost analysis based on a benchmarking study conducted by the American Schools and University's Facilities (AS&U) organization. AS&U's analysis of schools and universities custodial staffing level and costs yields an average cleaning cost standard rate per square foot based on geographical regions. The rates are published annually and are used by the custodial industry as a basic guideline to assess staffing levels and cost of custodial operations. The average standard rate published by AS&U for region 2 (New York and New Jersey) was \$2.17 per square foot in 1997. Based on the team calculations, the district paid \$2.73 per square foot to have 37 custodians to clean its buildings.

**Recommendation:**

Using AS&U's model benchmark which projects a \$2.17 per square feet cost for cleaning public buildings, we determined that the district could save approximately \$300,149 by eliminating eight custodial positions.

**Cost Savings: \$300,149**

**Maintenance Operation**

The maintenance staff for the 1996/97 school year consisted of four general maintenance workers, one plumber, two carpenters, one electrician, one painter and two boiler operators. The district's plumber and boiler operators each hold Black Seal licenses, as required by the Department of Labor (N.J.S.A. 34:7-1).

Maintenance employees are responsible for the maintenance and functioning of all heating, ventilating, lighting, sanitary, water and power equipment within the district's buildings and grounds. Maintenance personnel assigned to the district's warehouse are responsible for accepting deliveries of school supplies and equipment.

When not performing task according to their trade, maintenance personnel perform lightweight maintenance on the district's vehicles, such as, replacing air filters. The district contracts out major capital projects requiring skilled trades. All work performed by maintenance employees originates from work request.

The district paid \$335,061 in wages and benefits for maintenance personnel and \$123,418 for ground personnel salaries and benefits. These costs are comparable to such costs reported by the four school districts that the team used as a comparison to Bridgeton's cost of operations.

**FACILITIES****Facility Use**

At various times during the school year, the district leases its school buildings out to community groups. This function is handled by the Adult Education/Alternative Education secretary located at Bridgeton High. The secretary will inform the maintenance supervisor if the services of a custodian are needed.

Fees to rent the facilities of the schools are generally waived for non-profit organizations like churches, youth program, police community-related programs, etc. The custodian usually donates his/her services. The board absorbs energy usage costs.

**Energy Efficiency Review**

The district currently does not have an energy savings plan. According to the maintenance supervisor, Honeywell conducted an energy study several years ago. The cost to be incurred as presented by the study was not acceptable to the board. The maintenance supervisor did not have a copy of the Honeywell study nor did the district's business administrator.

According to the maintenance supervisor, the district is implementing a Green H program which involves replacing light bulbs with fluorescent bulbs throughout the district's buildings.

According to the CAFR report, the district energy consumption costs for the 1996/97 school year was \$694,924. The team has noted that past experiences shows that districts could save approximately 10% on energy costs by adopting an energy savings plan. Therefore, Bridgeton has the potential of saving an estimated 10% or \$69,492 in energy costs by adopting an energy savings plan.

**Recommendation:**

**While the team is aware that the district has taken initial steps to reduce energy costs by implementing a Green H program; we believe, based on past experiences of other districts, that the district could possibly achieve an additional 10% savings on its energy costs by adopting an energy savings plan. Therefore, it is suggested that the board explore the possibility of contracting for and implementing an energy savings plan.**

**Cost Savings: \$69,492**

**5-Year Facility Plan**

The state's department of education regulation (N.J.A.C. 6:22-7.1) requires that the district have a five-year facility plan in place. The purpose of the plan is to project amounts expected to be expended for maintenance and upgrades of district-owned buildings and equipment. While Bridgeton has a five-year facility plan it is the team's opinion that it is lacking because the district did not provide any narratives to explain the purpose of the proposed expenditures.

**Recommendation:**

**In order to provide a document to the board and the community that is more user friendly and informative, it is suggested that the district expand its five-year facility plan by including a narrative section to explain each proposed expenditure.**

**WAREHOUSE FACILITY**

Historically, the district operated its maintenance and storage functions from two buildings. For many years the district's maintenance function used about 3,000 square feet of the basement in the administrative building on the southern end of Bank Street. The district's storage needs were met by using about 10,000 square feet of an old school building. The district sold the school building to the county in 1988 and then had rented it from them for \$1.00 per year.

In mid 1990s the school building was scheduled for demolition. The district began a search for a building that would be large enough to combine the maintenance and storage functions under one roof. It found such a building on the northern end of Bank Street. On April 1<sup>st</sup>, 1996 the district began leasing this building for three years.



The building is 32 years old, contains 30,716 square feet, although the district is leasing only 12,000 square feet. The cost for this lease is \$2,400 per month or \$28,800 per year. The cost per square foot is \$2.40. As shown in Table 1 below, the 12,000 square feet are used for (1) office space, (2) space for maintenance and warehouse workers including their supplies and equipment, and (3) storage space for the district's school supplies and equipment (e.g., desks and old computers).

<b>Table 1</b>	
<b>Breakout of Current Leased Space</b>	
Office Space	600 Sq. Ft.
Maintenance Space	4,200 Sq. Ft.
Storage Space	7,200 Sq. Ft.
Total	12,000 Sq. Ft.

A total of ten people work in the current maintenance and warehouse facility building including one painter, one electrician, one plumber, one warehouse person, one secretary, one supervisor, two utility workers, and two carpenters.

#### **Recommendation:**

**The team recommends that the district take immediate steps to use their current leased space more efficiently. It is suggested that they can reduce the amount of leased space by 6,000 square feet, resulting in savings of \$14,400.**

**Cost Savings: \$14,400**

#### **Analysis of Space Needs**

Site visits to this facility indicate that current space is underutilized. For example, supplies and equipment are stored only on the ground level. There is no vertical storage in spite of 21 foot ceilings. In addition, the size of the rooms allocated to plumbing, carpentry, electrical and utility are double what the team thinks is necessary. We estimate that more reasonable allocation of space for carpentry, electrical, etc., proper use of the vertical space, and eliminating unnecessary items in this facility would reduce the current use of space from 12,000 to 6,000 square feet.

It is important to note that the district uses other buildings to store equipment and supplies. About 1,000 sq. ft. is used at the middle school to store supplies. Equipment for graduation and other items are stored in the green house at the high school, which takes about 1,200 sq. ft. About 3,000 sq. ft. is used in the stadium garage at the high school. As noted in the Purchasing Section of this report, the district purchases paper jointly with Pittsgrove School District, which stores the paper. Excluding the paper storage area (discussed below), these other storage areas total 5,200 square feet. If we combine this to the 6,000 sq. ft. that would be an efficient use of the current building, the district's total storage needs are about 11,500 square feet. This is nearly exactly the same amount of space that the district is currently leasing (12,000 sq. ft.).

However, instead of using current maintenance and storage space efficiently, and quantifying their space needs, the district plans to nearly triple (259%) its storage space. The team was advised

that the district plans to purchase the building they are currently leasing. In May, 1997, this building was appraised for \$390,000. The building contains 30,716 square feet.

The team was unable to find any justification for purchasing a building of this size to meet maintenance and storage needs. The business administrator and the director of facilities indicated that they had not completed an analysis of the district's maintenance and storage needs and were not aware if any had ever been completed. The business administrator indicated that he would like to expand bulk purchasing and believes that the space could be used for a central storage of supplies. He believes that the district could lease any excess space if that occurred.

These arguments are unconvincing. In terms of purchasing, it is generally not cost effective to bulk purchase and store supplies. The purchasing profession has found that the savings resulting from bulk purchasing are more than offset by the costs of storing, delivering, and accounting for the waste of supplies. For example, the State of New Jersey completed an analysis, which indicated that, in many cases, the most cost effective strategy is to bulk purchase, but to have them drop shipped to local sites periodically throughout the year.

In terms of leasing any excess space that may exist, the team does not believe this is a good argument to use to spend \$390,000 for a building that may be 150% larger than necessary, especially without a detailed, objective analysis of space needs.

#### **Recommendation:**

**The district should stop its efforts to purchase a \$390,000 building to expand its storage and maintenance space. The district simply has not justified this expenditure of tax dollars. In addition, the district should complete an objective and professional analysis of its maintenance and storage needs.**

**Cost Avoidance: \$390,000**

### **TRANSPORTATION**

Students attending school in the Bridgeton School District are transported in accordance with desegregation standards promulgated by the New Jersey Department of Education. This means that students do not necessarily attend the closest school and must be transported to another school within the district to comply with the state's standards.

During the 1996/97 school year the district transported 3,636 students to seven public schools, 14 nonpublic schools, one vocational school, five out-of-district public schools and six out-of-district private schools for the handicapped. Eighty-two of the public students and 36% of nonpublic students that were transported at that time were not eligible for transportation services because they did not live within the state-mandated distance from school. Transporting these students cost the district a total of \$865,504 for the school year ended 6/30/97.

### **In-district and Out-of-district Transportation**

The district offers in-district transportation to public, nonpublic, special education and vocational students. Transportation services are provided for homeless students and special education students, who attend schools out-of-district, through a jointure with Cumberland County Educational Cooperative (Cooperative).

The district contracted with 11 vendors to transport its out-of-district special education students during the 1996/97 school year. This service cost the district \$127,532 for the 1996/97 school year. According to the district's District Report of Transported Resident Students (DRTRS) report, 29 special education students received out-of-district transportation services in 1996/97.

### **Supplemental Transportation**

The district also offers supplemental transportation services to transport students to and from field trips, athletic events, and other extracurricular activities. The district contracted with one vendor to provide these services for the 1996/97 school year. It was noted from the team's review of the district's transportation records and the CAFR report, that the vendor was paid a total of \$4,222 for services rendered for the school year ended 6/30/97.

### **Homeless Transportation**

According to N.J.A.C. 6:3-8.4, the district of residence is to provide transportation for a homeless child when a child attends school in the district of, residence, while residing in another district. It was noted from the team's review of the districts homeless children record that the district experiences high rates of homeless children throughout the school year. During the 1996/97 school year, transporting homeless children cost the district \$13,057 and, as of March 1998, homeless transportation costs were \$15,936.

### **Private and Parochial Transportation**

During the 1996/97 school year the district contracted with two vendors to provide transportation services for 171 non-public students. One contract cost \$10,400 to transport 47 students (\$221 per student), and the other contract cost \$7,150 to transport 19 students (\$376 per student). The district paid \$70,875 to the parents of the remaining 105 students as aid in lieu of transportation (AIL). Overall, the total expense for transporting these students cost the district \$88,425. Thirty-six percent of 171 non-public students transported receive courtesy busing.

### **Courtesy Busing**

It was noted from the teams analysis of Bridgeton's District Report of Transported Resident Student (DRTRS), report to the Department of Education that of the 3,258 regular students transported to in-district public schools during the 1996/97 school year, 82% received courtesy busing. It was also noted that of the 171 nonpublic students bussed during the 1996/97 school year, 36% received courtesy busing.

Courtesy busing is defined as transporting elementary students who reside within 2.0 miles of their schools and secondary students who resides less than 2.5 miles from their school. These limits are set by the State's Department of Education regulations. Districts are not funded by the state to provide courtesy busing. The district's total transportation expense for the 1996/97

school year was \$865,504. However, the State of New Jersey only provided \$447,107 in transportation aid to the district for that year. The balance of the total actual expense, approximately \$418,397 was the responsibility to the school district taxpayers. In effect, Bridgeton taxpayers that do not utilize the school's transportation system are subsidizing the families who do utilize the services and who are not entitled.

It was noted during the team's field review that it was the general consensus of several Bridgeton residents and public officials that courtesy busing is favored by the majority of parents whose children attend schools in the district. Number one, courtesy busing has helped increase attendance and cut down on acts of vandalism committed by students who previously walked to school. According to district attendance personnel, the implementation of courtesy busing has had a tremendous effect on students' attendance.

### **Recommendation:**

**For the 1996/97 the district spent approximately \$431,222 providing courtesy busing to public and non-public students. This cost represented 50% of the amount expended for that school year. These costs reflect the community's and the board's decision to provide transportation to students who do not fall within the state's guidelines for transportation.**

**The team understands that the community and district officials are strong supporters of courtesy busing. However, due to the fact that Bridgeton received 79% of its funding from all New Jersey taxpayers, we believe it is our obligation to identify potential cost savings.**

**It is recommended that the district consider eliminating courtesy busing and identify other ways of dealing with attendance and vandalism problems, thereby yielding the following potential savings.**

**Cost Savings: \$431,222**

### **Bus Fleet and Staff**

The district employs a transportation coordinator to manage its transportation operation. Among the many responsibilities of this person is to establish and revise bus routes and time schedules. The transportation coordinator is assisted by a person to handle K through 6 grade transportation function and another individual handles the transportation requirements of the district's homeless children.

During the 1996/97 school year, the district employed 26 bus drivers and maintained a fleet of 38 district-owned buses. The bus driver's 1996/97 contract with the district provided for a salary to be paid at the rate of \$12.25 per hour and, upon retirement, all bus drivers, that have 15 years of continuous service with the district, will be given \$20 per day for all accumulated unused sick days. The drivers are principally responsible for transporting all regular and special education students to schools within the district. A number of the bus drivers obtain extra hours by transporting alternative high school children to and from school, and by taking some field trip assignments. Other drivers drive buses for EIP program and are paid out of the grant funds for these programs.

## **Recommendation:**

**The district should negotiate a limit or cap on the payment of accumulated unused sick days.**

The team's review of the district's transportation payroll records revealed that 30% of the bus drivers worked 8 hours per day and the remaining bus drivers work 5 hours per day. Total salaries paid to district bus drivers for the 1996/97 school year was \$486,919. Medical benefits provided for the drivers for 1996/97 cost the district \$195,992. Other fringe benefits such as sick and personnel days were valued at \$15,662.

## **ADMINISTRATION & STAFFING**

District-wide, the number of employees (both certificated and non-certificated) is significantly higher in comparison to the comparable districts in the School Data Comparison Chart. The display below shows the employees as a percentage of the number of students in each district.

### **Administration & Staffing**

	<b>Certificated Employees</b>	<b>Other Employees</b>	<b>Total Employees</b>
Asbury Park	9.8%	5.4%	15.3%
New Brunswick	9.6%	4.3%	13.9%
City of Orange Twp.	8.8%	3.3%	12.1%
Pleasantville	8.6%	4.8%	13.4%
<b><i>Bridgeton</i></b>	<b><i>10.9%</i></b>	<b><i>8.3%</i></b>	<b><i>19.3%</i></b>

### **Administration**

According the 1996-97 NJ School Report Card data, Bridgeton's number of administrators has been reduced from 32.9 to 31.4 FTE's since the 1994-95 school year. However, this number is still significantly higher than the state average for a district of this size (25.2 FTE's). The number of students per administrator has also grown in the past three years from 116.4 to 1, to 126.0 to 1. This is much lower than the state average of 166.5 to 1. The number of faculty members per administrator has grown from 10.4 to 1, to 11.7 to 1. The State average is 13.5 to 1.

At the high school level, the student/administrator ratio has regressed over the past three years going from 87.4 to 1 to 74.0 to 1. During this same time period the state average student/administrator ratio has gone up from 150.2 to 1 to 176.0 to 1.

At the elementary level, the state average student/administrator ratio has gone from 306.5 to 1, to 329.0 to 1 since the 1994-95 school year. Elementary level student/administrator ratios in Bridgeton are as follows:

Middle School	-	161:1
West Avenue Elementary	-	278:1
Cherry Street Elementary	-	291:1
Indian Avenue Elementary	-	331:1

**Note:** Buckshutem Road Elementary School (with 334 students) and Quarter Mile Lane Elementary School (with 130 students) share one administrator.

This data is reinforced by the New Jersey Department of Education's Comparative Spending Guide (1997-98). Bridgeton grouped with 83 other schools of similar size and operating type. In this group Bridgeton ranks:

- 78<sup>th</sup> (low to high) for total administrative cost (\$1,274);  
the state median is \$1,032;
- 82<sup>nd</sup> (low to high) for student/administrator ratio (126.7:1); and
- 75<sup>th</sup> (low to high) for faculty/administrator ratio (12.1:1).

According to the 1996-97 NJ School Report Card data, Bridgeton's number of administrators is 6.2 FTE's above the state average. For the Bridgeton School District to have a student/administrator ratio of 166.5 to 1 (state average) there would have to be 7.6 fewer administrators. To have a faculty/administrator ratio of 13.5 to 1 (state average) there would have to be 4.7 fewer administrators.

Even though the median salary of administrators in Bridgeton is significantly below the state average, the total administrative cost per pupil is presently \$177 above the state average, according to the 1996-97 report cards.

### **Recommendations:**

**In the area of special education there are presently three administrative positions: Director of Student Support Services, Curriculum Supervisor for Special Education and Special Education Department Supervisor. It is recommended that the position of Curriculum Supervisor be eliminated and the administrative functions be absorbed by other appropriate administrators; e.g., one or both of the other curriculum supervisors and/or individual school administrators.**

**Cost Savings: \$57,000**

**The team recommends that the district combine the positions of District Music Supervisor and Art Department Supervisor, creating one position of Supervisor of the Fine Arts.**

**Cost Savings: \$59,000**

**Eliminate two assistant principal positions. One of these positions would be at the high school level with functions assistant principal being absorbed by the principal, the other two assistant principals and, where appropriate, department supervisors. The other**

assistant principal position to be eliminated would be at the middle school level with those administrative functions being absorbed by the principal and each of the three grade level supervisors.

Cost Savings: \$108,000

## FACULTY

According to the School Data Comparison chart, the teacher/student ratios in Bridgeton are significantly lower than those of the comparable schools.

	Elem. School Level	Middle School Level	High School Level
Asbury Park	1:25	1:20	1:16
New Brunswick	1:23	(NA)	1:20
City of Orange Twp.	1:14	1:12	1:11
Pleasantville	1:14	1:14	1:14
<b><i>Bridgeton</i></b>	<b><i>1:13</i></b>	<b><i>1:11</i></b>	<b><i>1:8</i></b>

According the 1996-97 NJ School Report Card data, Bridgeton's secondary level student/faculty ratio has regressed over the past three years going from 9.2 to 1 to 8.7, to 1. During the same time period the state average has risen from 11.1 to 1, to 11.7 to 1. For the Bridgeton High School to have a student/faculty ratio of 11.7 to 1, there would have to be **27 fewer** faculty members.

At the elementary level the state average student/faculty ratio has remained at 14.2 to 1 for the past three years. Elementary level student/faculty ratios in Bridgeton are as follows:

Middle School	-	9.9:1
West Avenue Elementary	-	12.3:1
Cherry Street Elementary	-	11.6:1
Indian Avenue Elementary	-	13.8:1
Buckshutem Road Elementary	-	12.4:1

**Note:** Quarter Mile Lane Elementary School had only 130 students for the 1996-97 school year and housed only Pre-kindergarten and kindergarten students.

Overall, at the elementary level the student/faculty ratio has regressed over the past three years going from 12.8 to 1, to 11.8 to 1. For the Bridgeton elementary level schools to have an overall student/faculty ratio of 14.2 to 1, there would have to be **21 fewer** elementary level faculty members.

## Recommendations:

The review team is aware of the recent Supreme Court decision whereby Abbott districts will be required to provide full day kindergarten for five year olds and half day preschool for three and four year olds. It is also our understanding that these districts will be required to adopt a whole school reform model for each of their schools over the next three years. The district must adhere to the approved plans when providing services and, to the extent that the plans differ in timing or scope from this recommendation, the district may choose to disregard this recommendation. However, a very conservative staff reduction for the district would call for the elimination, preferable by attrition, of 14 high school teaching positions and 11 elementary teaching positions.

**Cost Savings: \$900,000**

**Eliminate four teacher's aide positions, thereby maintaining the existing teacher/aide ratio.**

**Cost Savings: \$48,000**

## Class Size

Class sizes at both the secondary and elementary levels confirm the apparent over staffing of faculty in the Bridgeton School System. According the 1996-97 NJ School Report Card data, average class sizes are as follows:

<u>Bridgeton Schools</u>	<u>Class Size</u>	<u>State Average</u> <u>Class Size</u>	<u>Difference</u>
High School	18	21	-3
Middle School	20	22	-2
West Avenue Elementary	19	22	-3
Cherry Street Elementary	20	22	-2
Indian Avenue Elementary	21	22	-1
Buckshutem Road Elementary	17	22	-5
Quarter Mile Lane Elementary	16	22	-6

## Clericals

Clerical positions for the Bridgeton School System consist of the following:

Superintendent's Office	5 clerical
Asst. Superintendent's Office	1 secretary
Bus. Adm./Board Sec.'s Office	1 secretary
Personnel/Payroll/Accounting Office	4 clerical
Business Office	4 clerical
Funded Programs Office	3 secretaries
Student Support Services Office	3 clerical
Special Services Teams	3 secretaries
Ancillary Services	1 secretary
Curriculum Supervision	1 secretary



Buildings & Grounds	1 secretary
Registration	<u>1 secretary</u>
<b>Total</b>	<b>28 clerical</b>
Schools	
Adult Education	2 secretaries
Alternative Education	1 secretary
High School	9 clerical
Middle School	5 secretaries
Elementary Schools	12 clerical
Nurses' Offices (district wide)	6 secretaries
Libraries (district wide)	<u>6 secretaries</u>
<b>Total</b>	<b>41 clerical</b>
<b>Grand Total</b>	<b>69 clerical</b>

The number of non-certificated employees in the Bridgeton School System, a good part of which is made up of clericals, is very high when compared to districts of similar size and operation type. The district does little regarding cross training of clericals for backup support. There is also no pooling of clericals to provide support for work, which is seasonal or has peaks and valleys depending on the time of year.

#### **Recommendations:**

**The review teams recommends that a total of nine clerical positions (or FTE's) should be eliminated district wide, preferably through attrition.**

**Cost Savings: \$207,000**

**Further, it is recommended that the cross training of clericals should be promoted and when work is predictably heavy in certain offices, during various times of the year, efforts should be made to initiate mobility among the clericals to provide assistance.**

#### **ATHLETIC PROGRAMS**

The Bridgeton School District spent 0.7% of its budget on school sponsored athletics for the 1996-97 school year which is comparable to the four similar districts used by the review team for comparative purposes in this study.

The following table provides athletic program costs for the past two years:

<b>Category</b>	<b>1995/96</b>	<b>1996/97</b>	<b>Change</b>
Salaries	\$139,797	\$136,750	(\$3,047)
Purchased Services	127,739	128,494	755
<b>Totals</b>	<b>\$267,536</b>	<b>\$265,244</b>	<b>(\$2,292)</b>

The above chart shows a slight reduction in expenditures over the past two years.

Salary costs include stipends paid to teacher certified individuals who serve as coaches for various sports. Purchased services included some transportation, operational expenses, equipment and supplies and miscellaneous expenses (e.g., banquet tickets for all star athletes, coaches clinics, etc.)

District athletes are supervised by two athletic directors, one for the males and one for the females. They are responsible for coordination of the programs, equipment, schedules, arranging transportation for away events, monitoring participation levels in various sports program and supervising coaches. Each director receives an annual stipend of \$5,608 for functioning in this capacity. Both of the directors are also physical education teachers and teach 2 to 3 classes daily.

Staffing consists of the following:

	1 Athletic Director (Boys)
	1 Athletic Director (Girls)

#### Coaching Positions

High School	-	18 head coaches 27 assistant coaches
Middle School	-	8 head coaches 6 assistant coach

Most of these coaching positions are held by staff members (approximately 95%) with some adjunct coaches from out of the district. All must be certified to teach.

The Bridgeton Athletic Program consists of 15 interscholastic sports including cheerleading. The sports are broken down into varsity, junior varsity, freshman and middle school levels as well as girls' teams and boys' teams where appropriate. A total of 361 high school students (50% of the student population) and 190 middle school students (43% of the student population) participated in sports activities during the 1996-97 school year.

Nearly all transportation services are provided by the district's own buses and drivers.

#### **Recommendation:**

**The LGBR team believes that Bridgeton's athletic program is efficiently and effectively managed and adequately meets the needs of the student body.**

### **EXTRA CURRICULAR ACTIVITIES**

Bridgeton's extra curricular activities exist in such areas as student government, clubs, theatrical productions, publications, distributive education, band, intramural athletics, etc. Stipends for sponsoring these activities range from \$315 (elementary student government) to \$4,682 (band director). Most of the stipends are in the vicinity of \$1,000.

The following table provides school sponsored co-curricular activities costs for the past two years:

<b>Category</b>	<b>1995/96</b>	<b>1996/97</b>	<b>Change</b>
Salaries	\$100,491	\$ 92,015	(\$ 8,476)
Purchased Services	19,015	36,237	17,222
General Supplies	24,796	24,438	( 358)
<b>Totals</b>	<b>\$144,302</b>	<b>\$152,690</b>	<b>\$ 8,388</b>

For both years actual expenditures were well below the amounts budgeted for co-curricular activities (\$4,406 below for 1995-96 and \$5,391 below for 1996-97).

The cost for the school year 1996-97 constituted 0.4% of the total expenditures and is comparable to the similar districts used for comparisons in this report.

### **Recommendation:**

**Reduce budgeting for extra curricular activities to a total, which is closer to real costs.**

**Cost Savings: \$5,000**

## **DRIVER EDUCATION**

Driver Education is provided at the Bridgeton High School as part of the health curriculum. The program consists of both classroom instruction and driver simulation film instruction. Students take driver education for two ten week periods of time; one in the sophomore year and the other in the junior year. These two ten week sessions include between three and five weeks of simulation instruction. (There is no behind-the-wheel instruction.) The district owns eight simulators and instruction is provided by the high school level health/physical education teachers.

## **GUIDANCE DEPARTMENT**

Guidance counseling services are available to all grade levels in the Bridgeton school system and are administered by 12 staff members. Most of the guidance counseling resources are expended at the secondary level. The department, which works only with high school students, is staffed by a director, three counselors and three secretaries.

The major functions of these counselors include individual and small group counseling (problem oriented), career and college counseling, course selection and scheduling and interaction with parents, as needed. It should be noted that work in the guidance office is heavily impacted by the high rate of transience characteristic of the Bridgeton community.

Although there is no direct instruction on the part of the counselors, there are in class presentations on such topics as PSAT preparation, course selection and scholarship opportunities. The office also utilizes the school TV, announcements and the bulletin board.

In the middle school there are two counselors, one for grade eight and special needs students, and the other for grades six and seven. These counselors report to the middle school principal.

At the elementary level (grades K-5) there are three counselors and they report directly to the director of student support services.

School enrollments as of February, 1998, were 2,267 at the elementary level, 741 in the middle school and 940 in the high school.

While there is some communication between guidance counselors at different school levels on an as needed basis, there is no regularly scheduled or planned system to share experiences and information. There does not appear to be any routine reporting of guidance activities, district wide. There is need to strengthen communications between school counselors at each location and across grade and building levels. Without planned communication, the guidance program cannot achieve maximum effectiveness. It would be useful for all counselors to meet on a regular basis to share experiences and explore potential approaches to resolving common problems.

The guidance department has experienced technical difficulties regarding the student software. The district has made requests for modifications to the system that has not been to the satisfaction of staff. The system is not living up to the expectations that were promised to the district, resulting in redundant job processes. When the student management software is working at a more optimal level, the district can reevaluate staffing needs within the guidance department. It appears that the guidance department has too much clerical support, but this will be clear after the student software is working properly.

#### **Recommendation:**

**All guidance counseling services (K - 12) should come under the direction of the Director of Guidance Counseling. This would enhance the flow of information and interaction between the elementary schools and the middle school, and between the middle school and the high school. With all counselors functioning under the supervision of one director, there would be better coordination of guidance related activities and functions, more continuity of programs and procedures, and better allocation of human resources, both professional and clerical, to address the peaks and valleys characteristic of guidance work. This consolidation of all guidance staff could result in reduction of one clerical position.**

**Cost Savings: \$23,000**

#### **ADULT/ALTERNATIVE EDUCATION PROGRAMS**

The mission of Bridgeton School District's adult education program is to provide adults with the opportunity to complete their high school education, continue existing or past educational programs and to improve their knowledge and/or skills. The adult education program is also

available to the foreign born to improve their skills and abilities in acquiring proficiency in the English language.

There are three segments of the district's Adult Education Program; Adult High School, Adult Basic Education and Community Education.

### **Adult High School**

The adult high school program admits students who must complete one, two or several courses before being allowed to obtain a high school diploma. The adult high school program uses the same curriculum as the regular high school. For each student admitted to the program, their educational status is evaluated and a prescribed course of study is developed for the student, in order to fulfill state and local requirements for graduation.

The adult high school program is conducted at Bridgeton high school. The district provides transportation for resident students enrolled in its adult high school program, because they are considered to be regular high school students. The program is in session from Monday through Thursday from 8:30 a.m. to 3:00 p.m. and from 6 p.m. to 9 p.m.

Enrollment in the adult high school program for the past three school years was as follows:

	<u><b>1994/95</b></u>	<u><b>1995/96</b></u>	<u><b>1996/97</b></u>
<b>Students</b>	<b>32</b>	<b>30</b>	<b>28</b>

Staffing for the adult high school program for the 1996/97 school year consisted of one supervisor, four teachers and one aide. The cost of operating the program for the school year ending June, 1997 was \$102,095.

### **Adult Basic Education**

According to statistics, Bridgeton's adult illiteracy rate is high. The adult basic education program was designed to provide assistance to older adult students who would like to improve their basic skills and or acquire a General Equivalency Diploma (GED). Students who receive public assistance are also referred to the program by both city and state agencies. The program is free to Bridgeton's residents.

The adult basic education and GED program is in session from 6 p.m. to 9 p.m. Monday through Thursday. GED classes are also held Monday through Thursday from 9 a.m. to 12 noon at a local housing facility in Bridgeton. The GED test is not administered at the district facility. Students who are candidates for GED testing are referred to facilities located in Vineland and Salem, New Jersey.

Adult basic education program enrollments for the past two school years and, as of the 2<sup>nd</sup> quarter of the 1997/98 school year, are presented in the chart below.

**2<sup>nd</sup> Qtr**

	<u>1995/96</u>	<u>1996/97</u>	<u>1997/98</u>
<b>ABE Students</b>	<b>112</b>	<b>70</b>	<b>11</b>
<b>GED Students</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>ESL Students*</b>	<b><u>16</u></b>	<b><u>51</u></b>	<b><u>8</u></b>
<b>Total Students</b>	<b>128</b>	<b>121</b>	<b>27</b>

**\*English as a Second Language**

According to the principal of the adult high school program, the adult basic education program has been experiencing a decline in enrollment over the past year. One of the factors contributing to the decrease in enrollment is the competition from other district-wide programs offered through New Jersey Work First Center, a cooperative of the Job Training Partnership Act (JTPA), and Tri-County Community Action Agency Inc., of Vineland, NJ.

The district also loses a lot of its students to programs offered by the Tri-County Action Agency because of benefits and stipends paid to students and the availability of child-care services. Another reason cited for decreased enrollment is the lack of transportation. A number of clients who do not own cars have to rely on public transportation and, therefore, are not able to maintain consistent attendance. Bridgeton, on the other hand, does not have an adequate public transportation system and the school district only provides transportation for students who are enrolled in a regular or an adult high school program.

In addition to the problems cited above, the principal informed the team that the district is not receiving good qualified students because many of the students referred to the district by JTPA are very low in literacy and have learning disabilities. While such students are on the district's rolls and have completed the requisite 12 hours or more of attendance, they are not progressing.

The principal informed the team that he will attempt to institute the following initiatives to, hopefully, remedy the problems plaguing the district's adult basic education program.

1. Query Bridgeton's landlords to donate space in one of their vacant buildings in downtown Bridgeton to house an adult center as a possible resolution to the transportation dilemma.
2. Attempt to join a consortium to increase client participation and enhance the adult basic education curriculum.
3. Attempt to obtain funding through participation with WIB (Work Investment Board of Cumberland County). WIB is a federally funded school-to-work program.

**Recommendation:**

**Based on the problems plaguing the district's adult basic education program, it is suggested that the district join a consortium and refer it's adult basic education students to programs provided by the consortium which would best suit their needs. We believe this should be budget neutral. The district must adhere to the approved plans when providing**

**services and, to the extent that the plans differ in timing or scope from this recommendation, the district may choose to disregard this recommendation**

### **Community Education Program**

The district offers public interest, self-help, business-related and lifestyle type courses to district residents. Courses are taught from 6 p.m. to 10 p.m. on various days of the week at Bridgeton High School and other schools in the district. The program is funded through user fee charges.

Twice a year, the district advertises, in conjunction with the district's community education program, to reach all of the homes in Cumberland County hoping to get more students to participate in the program. However, according to the adult education principal, participation in this program is somewhat bleak because of the competition from other community education programs offered throughout the county. Also, a lot of people who live in surrounding areas are afraid to travel into Bridgeton at night to take a course because of Bridgeton's unsafe reputation.

### **Recommendation:**

**It is the team's opinion that the district discontinue the community education program because the district is only breaking even from amounts paid for advertising and the amount of tuition received from participants. In addition to the approximate \$3,000 savings in advertising costs, the district could also save on energy and custodial related costs if the community education program was discontinued. The district must adhere to the approved plans when providing services and, to the extent that the plans differ in timing or scope from this recommendation, the district may choose to disregard this recommendation.**

**Cost Savings: \$3,000**

### **Alternative Education Program**

The district maintains an alternative education program for students who have chosen not to pursue a high school diploma through the conventional route; and for students who are not allowed to attend because of their past performance in a regular high school program. The most prevalent reasons for students being enrolled in the program, include but are not limited to, discipline problems and chronic absenteeism, teen pregnancy and school board referrals of students who display social/peer development problems.

The alternative education program uses the same curriculum as regular Bridgeton high school students. Students in this program also have to the option to obtain a regular high school diploma or a GED.

The alternative education program is located in a newly constructed wing of Bridgeton high school. Although the program has its own classrooms, students in the program have access to the same facilities and equipment used by regular high school students. The program's hours of operation are from 3 p.m. to 7 p.m. and transportation is provided by the district.

Enrollment in the alternative education program, for the school years ending 6/96, 6/97, and as of 5/98 was as follows.

	<u>6/96</u>	<u>6/97</u>	<u>As of 5/98</u>
<b>Students</b>	<b>55</b>	<b>56</b>	<b>43</b>

Students enrolled in the district's alternative education program also have access to a food preparation training course taught through the Tri-County Community Action Agency's (TCCAA), "Youth Transition to Work" program. The purpose of this program is to provide a school setting alternative education program with an off-site hands-on food preparation training program to prepare educationally disadvantaged, at-risk youth for entry level positions in the food service industry. The district entered into a contract with TCCAA to provide this course to its students during the 1996/97 school year. The total cost of the program was \$78,015.

During the 1996/97 school year the alternative education program was staffed with a principal, one supervisor, four teachers, one aide, one counselor and two secretaries. According to the adult education principal, the alternative education program needs teachers who are hired specifically for the program. Currently, as was the case in the past, the teachers that instruct students in the alternative education program also teach at other schools within the district during the day, which can be very taxing on teachers.

Salaries and benefits cost of the alternative education program's principal, teachers and support staff cost the district a total of \$204,312 for the school year ended June, 1997. This equated to approximately \$3,648 per student to be provided with an alternative education program.

### **SPECIAL EDUCATION**

The Bridgeton School District has a full compliment of services for special education students including resource rooms, self-contained classrooms and supplemental instruction programs. The district maintains 20 self-contained special education classes, distributed among four different schools, to provide instruction for 238 special education students.

As a district, Bridgeton is striving to increase resource center and in-class support. This is evidenced in the elimination of a number of self-contained classrooms in the elementary grades and the introduction of an inclusive environment through team teaching. An example of this is the pre-school inclusion program located at Buckshutem School. The long-term goal is to lay the groundwork for those students entering the middle school.

Due to its large student population, Bridgeton is not part of a larger educational consortium. It does, however, serve many outlying districts, which rely on it for a variety of special services.

Utilizing statistics based on the 1996-97 CAFR Report for comparable school districts, Bridgeton has the second lowest overall special education costs. An analysis of the Special Education



function outlines some of the recommendations which can be made to optimize school budget dollars. (Table I)

**Table I Comparable School Districts  
CAFR Report as of June 30, 1997**

	<u>Bridgeton</u>	<u>Orange</u>	<u>Asbury Park</u>	<u>Pleasantville</u>	<u>New Brunswick</u>
<u>Expenditures</u>					
Special Education - Instruction	2,668,410	2,435,155	2,650,962	1,444,160	5,587,741
Total Special Ed Instr. \$\$	2,668,410	2,435,155	2,650,962	1,444,160	5,587,741
At Bridgeton's Enrollment	2,668,410	2,333,874	2,447,752	1,653,142	3,467,802
# of Special Ed Students	530	553	574	463	854
Instruct Cost Per Spec Ed Student	5,035	4,404	4,618	3,119	6,543
Undistributed Expenditures	1,750,960	3,877,500	2,230,765	1,311,988	3,573,034
Support Services - Spec Ed	717,827	972,072	708,627	624,727	1,212,171
Transportation - Spec Ed	127,531	1,083,866	586,210	549,376	1,743,483
Total Special Education	5,264,728	8,368,593	6,176,564	3,930,251	12,116,429
At Bridgeton's Enrollment	5,264,728	8,020,532	5,703,099	4,498,991	7,519,564
Instruct Cost Per Spec Ed Student	9,933	15,133	10,761	8,489	14,188

An environmental factor, with potentially major impacts on the Special Education function, is the federal Individuals with Disabilities Education Act (IDEA). It was re-authorized in June, 1997 and will require major changes in how school districts meet the needs of disabled youngsters.

School districts will be pressed to include more disabled youngsters in regular classes, to involve parents more in the decision-making process of these children's special education programs, and to provide increased staff training.

A major premise is that all students who need help do not require special education. This will be addressed through pre-referral interventions, which may potentially reduce the classification of students.

### **In-District**

The district provides as much in-district placement of special education students as possible. Out-of-district placement does not take place unless an appropriate level of education cannot be offered. These decisions have resulted in 86% utilization of self-contained classrooms.

The review team recognizes that reliance on resource centers and in-class support has been maximized. (Table II) In order to continue the high utilization of classroom space and maximize on available resources, it is recommended that the district expand the current classroom space in conjunction with the inclusive team teaching model.

The inclusive classroom offers a placement alternative in which students can be successful by receiving the support they need. Special educators share teaching strategies with regular educators to assist classified students with their academics. Regular students benefit by hearing the directions given to all students.

In keeping with the already stated long-term goal of elimination of self-contained classrooms, the inclusive environment will gradually free up additional classroom space for appropriate special education placements including the medically involved and perceptually impaired.

**Table II Self-Contained Classroom Capacity 1997-98**

Type	School	Age Range	Aide(s)	# of Students	Allowable Capacity	Available Spaces
PI	Cherry Street	8-11	1	13	16	3
PI	Cherry Street	8-11	1	14	16	2
ED	Cherry Street	8-11	1	8	11	3
EMR	Cherry Street	8-11	1	12	16	4
PI	Buckshutem	7-11	1	9	11	2
PI	Indian Avenue	8-11	1	15	16	1
EMR	Indian Avenue	8-11	1	14	16	2
TMR	Indian Avenue	8-11	1	9	13	4
TMR	Indian Avenue	8-11	1	8	13	5
PI	Middle School - 6	12-14	1	13	16	3
PI	Middle School - 6	12-14	1	15	15	1
PI	Middle School - 7	12-14	1	16	16	0
PI	Middle School - 7	12-14	1	16	16	0
PI	Middle School - 8	12-14	1	15	16	1
PI	Middle School - 8	12-14	1	10	16	6
ED	Middle School	12-14	1	8	11	3
ED	Middle School	12-14	1	11	11	0
EMR	Middle School	12-14	1	14	16	2
EMR	Middle School	12-14	1	11	16	5
NI	Middle School	12-14	1	7	11	4

In 1997, Bridgeton received 10 tuition-paying students from out-of-district with an average tuition of \$11,233. The total tuition received by the district over the past three years for special education students has been \$336,837. When additional classroom space becomes available, these tuition figures can be expected to increase with the inclusion model.

#### **Recommendation:**

**In-district students with appropriate classifications should continue to be transitioned into inclusive classroom environments. At the same time, special education classrooms should continue to be expanded so as to increase tuition dollars from out-of-district placements. Inclusion by itself will not save money since less self-contained classrooms limit the number of students in special education classrooms.**

**The average position value for special education personnel for 1997/98 was \$51,351 for a teacher and \$17,039 for an aide. Costs of additional classrooms are dependent on personnel needs as well as the type of student classifications and IEP's.**

## Out-of-District

The out-of-district placements are those students who cannot be accommodated with the inclusive environment and traditional settings of a school district. Classifications include the emotionally disturbed and multiply handicapped.

The average out-of-district tuition and transportation costs for a regional day school is \$20,193, private institutional placement is \$26,534 and special services school district is \$31,352 resulting in an average cost by placement type of \$25,290. The current number of out-of-district students is 84. (Table III)

<b>Table III Out-of-District Placement Costs</b>						
<b>School Type</b>	<b># of Student s</b>	<b>Tuition per Pupil</b>	<b>Transportation per Pupil</b>	<b>Total Cost per Pupil</b>	<b>Total Cost by School Type</b>	<b>Average Cost by Placement Type</b>
<b>Private</b>						
Bancroft	1	\$3,000		\$3,000	\$3,000	
CAA-Elementary	23	\$22,341	\$4,060	\$26,401	\$607,226	
CAA-Secondary	26	\$22,704	\$4,060	\$26,764	\$695,864	
Pinelands	7	\$22,140	\$1,574	\$23,714	\$165,995	
Cerebral Palsy Center	3	\$25,850	\$9,249	\$35,099	\$105,296	
Devereaux	1	\$41,541		\$41,541	\$41,541	
Ranch Hope	3	\$22,000	\$4,419	\$26,419	\$79,256	
<i>Sub-total Private</i>	<i>64</i>	<i>\$159,576</i>	<i>\$23,361</i>	<i>\$182,937</i>	<i>\$1,698,177</i>	<i>\$26,534</i>
<b>SCSSD</b>						
SCSSD-PASS						
Pennsgrove High	1	\$21,400	\$4,419	\$25,819	\$25,819	
<i>Sub-total SCSSD</i>	<i>1</i>	<i>\$21,400</i>	<i>\$15,485</i>	<i>\$36,885</i>	<i>\$36,885</i>	
<b>Public</b>	<b>2</b>	<b>\$42,800</b>	<b>\$19,904</b>	<b>\$62,704</b>	<b>\$62,704</b>	<b>\$31,352</b>
Mannington						
Franklin Township	12	\$18,900		\$18,900	\$226,800	
Downe Township	1	\$7,795	\$12,426	\$20,221	\$20,221	
Vineland	4	\$17,057	\$5,146	\$22,203	\$88,812	
<i>Sub-total Public</i>	<i>1</i>	<i>\$19,564</i>	<i>\$8,079</i>	<i>\$27,643</i>	<i>\$27,643</i>	
<b>TOTAL</b>	<b>18</b>	<b>\$63,316</b>	<b>\$25,651</b>	<b>\$88,967</b>	<b>\$363,476</b>	<b>\$20,193</b>
	<b>84</b>	<b>\$265,692</b>	<b>\$68,915</b>	<b>\$334,607</b>	<b>\$2,124,356</b>	<b>\$25,290</b>

The intensive level of services provided and transportation costs involved with each placement translate into high placement costs for out-of-district placements. As a result of changes to the IDEA, parents will be part of the Individualized Education Plan (IEP) team. Future determinations may thus impact on placements and available district resources.

Consideration should be given to developing a training program for in-district students as a means of controlling the out-of-district tuition and transportation costs. Compounding the rising costs and limited in-district placements is a high level of transiency, which is demonstrated through the coordination and tracking of students who have no permanent address. This is also reflected in the escalating classification rate of special education students, in contrast to the relatively stable total enrollment. (Table IV)

**Table IV Special Education Classification Rate**

	<b>1989-90</b>	<b>1990-91</b>	<b>1991-92</b>	<b>1992-93</b>	<b>1993-94</b>	<b>1994-95</b>	<b>1995-96</b>
<b>Total Enrollment</b>	3811	3790	3847.5	3836	3776	3785	3785
<b>Classification Rate</b>	11.6%	12.2%	12.5%	13.4%	15.1%	13.2%	14.0%
<b>Special Ed Enroll</b>	442	462	481	514	570	500	530

**Recommendation:**

**Return out-of-district students in private placements to in-district classes whenever appropriate programs and services can be rendered. In order to accomplish this, available classroom space should be utilized for training programs and other new initiatives.**

The distribution of special education students has remained fairly consistent over the past three school years. In the 1996/97 school year there were a total of 601 in-district special education students which represents 15.9% of the total student resident population of 3,785. Eighty-seven point two percent of the special education students receive an education within the district. (Table V)

**Table V Special Education Enrollment Categories**

	<b>1995/96</b>	<b>% of</b>	<b>1996/97</b>	<b>% of</b>	<b>1997/98</b>	<b>% of</b>
	<b>Actual</b>	<b>Total</b>	<b>Actual</b>	<b>Total</b>	<b>Estimate</b>	<b>Total</b>
<b><u>In-District</u></b>						
Full-Time	395	63.5%	418	60.7%	418	60.7%
Pupils Received	151	24.3%	166	24.1%	166	24.1%
Shared-Time	18	2.9%	17	2.5%	17	2.5%
Sub-Total In-District Special Ed	564	90.7%	601	87.2%	601	87.2%
Speech Instruction	128	N/A	149	N/A	156	N/A
<b><u>Out-of-District</u></b>						
Regional Day	2	0.3%	9	1.3%	9	1.3%
Private Schools	29	4.7%	36	5.2%	36	5.2%
State Facilities	27	4.3%	43	6.2%	43	6.2%
Sub-total Out-of-District Special Ed	58	9.3%	88	12.8%	88	12.8%
<b>TOTAL Special Education</b>	<b>622</b>	<b>100.0%</b>	<b>689</b>	<b>100.0%</b>	<b>689</b>	<b>100.0%</b>

**Recommendation:**

**Special education and handicapped areas should have access to a computerized routing and scheduling system to coordinate transportation.**



### **Special Education Medicaid Initiative (SEMI)**

The Special Education Medicaid Initiative is a joint project of the Departments of Education, Human Services and Treasury, designed to claim medicaid reimbursement for certain related medical services provided to eligible special education pupils in a variety of settings.

The Bridgeton district has been filing claims on a quarterly schedule and has increased the revenues from \$3,806 in FY 1997 to \$7,631 in FY 1998. As of May, 1998 the district has received a total of \$11,959 since 1996. The Bridgeton School District is definitely under reporting Medicaid claims for special education service reimbursements.

The district has approximately 256 students registered with the SEMI program of which 136 have been determined to be Medicaid eligible. The district is filing/receiving claims for an average of 19 Medicaid eligible special education students.

The district reports that speech therapy comprises the majority of services provided to special education students. In order to file a Medicaid claim, speech therapy must be provided under the direction of a masters degree level school-certified speech therapist. The district does not have a staff member who meets this requirement and, therefore, does not receive the full level of reimbursement it may be entitled to. Based on DOE estimates, the district has approximately 300 Medicaid eligible special education students, which could generate a minimum of \$50,000 per year in SEMI reimbursements. The team was advised that the district is planning to add nursing services to the students IEP where appropriate. This action will enable the district to claim a Medicaid reimbursement for these services which are being paid for, and currently provided, by the district.

### **Recommendation:**

**The district should schedule a meeting with the SEMI staff from the Department of Treasury to review the entire claims process. It should begin to file claims on a monthly schedule.**

**It is further recommended that the district continue with its efforts to have on staff properly certified individuals, enabling it to receive reimbursement. This could increase revenues by \$50,000.**

**Revenue Enhancement: \$50,000**

## **TECHNOLOGY**

The Bridgeton district is in need of technology leadership. Currently there are five staff members assigned to work in the area of technology. There is a technology coordinator for the educational side as well as a high school science teacher who assumes the role of technologist at the high school. They are supported by a secretary and a computer technician. At the business office there is a full time technologist, who maintains both the business systems as well as the student support system. The district should reorganize the technology personnel in order to have a unified mission for computing. If the district were to reorganize with a technology director

representing all technology, an educational technology coordinator, a business office technologist, two computer support technicians (the second employed after the warrantee expires on the E-rate) as well as a secretary the district may find that the investment in technology may be fruitful.

### **Recommendations:**

**The district should establish a director of technology position. This individual would be responsible for the administration and coordination of all technology related activity in the district. The people who currently sit in both positions, the business office technologist and the district's educational technology coordinator should have proper stewardship in order to give guidance to the important role that technology and its proper utilization can offer the district.**

**The district should undertake a reorganization of technology personnel. If the district were to employ a qualified technology director, allow the educational technology coordinator to return to the classroom and have the high school coordinator assume more of a teaching load, the district could implement this at marginal incremental cost. The value is dependent upon how much teaching is assumed by both of these tenured teachers.**

**After the warranty period has expired, the district should consider hiring a qualified network technician who has internet training.**

**Value Added Expense: \$20,000**

**The district should be commended for hiring a technician for taking care of routine computer related maintenance functions. The district should consider allowing, and paying for, network related training for this individual, with a commitment of retention for two years after training is complete.**

**Value Added Expense: \$5,000**

### **Business Office Computing**

The board's business office recently upgraded its personal computers for all staff and there was little training to accompany the upgrade. The district uses an integrated software package for personnel, payroll, accounting and purchasing. The system is a mini-computer system running on Unix, which also runs the student database. The system has limited flexibility and the users of the system have little in the way of support for common problems that arise in report requests and technical problems. The district was in the process of installing a local area network in the business office. The system administrator is the only person who can respond to problems and is constantly being tugged in many directions.

The status of utilization of computers was hard to measure due to the recent arrival of new equipment and software. The district invested heavily over the past few years in computer equipment and will see little gain in productivity until the staff starts to use the equipment to its potential. It can never accomplish that unless adequate training is provided. There is little in the way of available personnel to accomplish this. However, the night school in the district does offer



instruction on the office suite package utilized by the district. Other districts have used resources, such as county colleges or the county's ETTC, which happens to be in Bridgeton.

The connectivity between software packages appears to be lacking. The student database is not easily transportable and required customized writing by the system administrator in order to complete some state reporting requirements. According to district staff members, the data entry for the transportation package has to be entered manually, rather than converted from the student database in industry standard data formats. Also, grades needed to be entered on bubble sheets and then scanned, rather than converted from the various software packages that are being used in schools within the district.

The attendance data is being encoded manually and requires some massaging of the data regarding the files for student attendance. According to staff at the high school, security for the student data base could be improved. While it appears to be safe from outside intrusion, there have possibly been some data changes by others within the system and it is affecting whether or not letters have been sent to all students who require them.

There also were schools that maintained separate, additional databases for student records. While the system administrator likes the system and is familiar with its structure, the regular users of the system are hampered by the process of system design. According to memoranda from the district, the vendor has not lived up to all of his, commitments, and according to interviews, some of the users of the system believe that the promises made by the vendor are not going to come to realization. The software is not performing up to the expectations of the district nor were all of the features promised delivered. The cursory initial training is not well backed up through regional seminars, regular user newsletters or regular user group meetings. There were manuals at most locations, but these were not regularly referred to and, according to users of the system these manuals were not clearly written nor adequately illustrated.

#### **Recommendation:**

**The district should integrate into its technology plan the student database, the business office package and the transportation software.**

**The district should undertake a comprehensive training program for all staff. This was mentioned as part of e-Rate grant application. A suggestion is to utilize the resources of the adult high school and the county's educational technology center during the evening at little or no cost.**

**The district's business administrator should investigate the future of all of its business office technology. Office automation has its greatest potential when the people know how to use it and help is easily obtained.**

**The student software is not performing at the expectation of the district. They should investigate alternatives that more closely suit their needs. They should also seek recourse from the vendor for not living up to the contract.**

### **Transportation Computing**

The transportation software package was expensive relative to its competition, yet it allows for visual mapping of routes for the district. There are currently two individuals who are maintaining the transportation routing and planning. The software was recently upgraded to a windows platform and currently has networking problems which are being addressed by the vendor. After the software conflicts are addressed, the district could consider offering automated transportation planning as a resource with its contiguous areas and more economically plan the routes of neighboring communities.

#### **Recommendation:**

**The district should consider offering automated transportation planning to other neighboring districts. It is estimated that for every district that participates, an additional income of \$7,000 can be realized.**

**Revenue Enhancement: \$7,000**

### **Educational Computing**

The district has developed an educational plan and technology committee in order to give focus to this important component of education today. The district has invested heavily in several different forms of learning including televisions, VCRs, Macintosh computers and PCs. There have been proprietary software conflicts and ownership questions of some of the machines themselves. The district has developed a history of searching for a comprehensive solution and hoping its problems would then just disappear. There has been little training available to staff and, even when it is offered, there is little participation. There is no enforcement of technology by the administration for use by the educational staff and there are no requirements for pupil contact time with computers on a regular basis.

#### **Recommendation:**

**A program should be instituted that requires teachers and the administration to more effectively integrate technology into their work. Teachers and administrators should also have utilization of technology as part of their evaluation and should be part of their Professional Improvement Plan (PIP).**

The technology committee did not have representation for all school locations. The business office's technology person was ordered to go to the district technology meetings. Most of the meetings have little to do with business office technology, yet it is important that the parts of the meeting that are business office or central computing related preclude the technology person.

**Recommendation:**

**All schools should be represented on the educational technology committee. The committee should be responsible for reporting to the board on a regular basis.**

**As part of the budget submission the technology plan should be updated. Tasks completed should be listed, and everything should be submitted with the information services budget request.**

The district spent approximately \$340,000 in new computers and, at least that amount additionally, for software in the past three years and is anticipating purchasing under the e-rate program over \$4 million worth of services at a 10% rate of contribution due to its poverty/contribution level. Technology alone will not solve Bridgeton's educational problems. There needs to be a commitment from the leadership in the district not only to train the staff in their utilization of technology, but also to encourage and enforce its proper utilization for educational purposes.

**Recommendation:**

**One of the keys to success for educational computing is access to computers after school under proper guidance. The district is planning to pay for access to the internet over dedicated lines, and there are no additional charges for after school. It would be in the best interest of the district to negotiate block scheduling with teachers in order to more cost effectively accommodate after school computer utilization by students. These students do not generally have access to computers at home at the same levels as other students may in more affluent districts.**

In Bridgeton's technology plan, a teacher survey indicated that the biggest desire in the district was to have more television sets and VCRs in the classroom rather than the computers and internet access. In numerous visits to the schools the rooms with television sets almost always had them off. The surveys found within the plan appear to be more a "wants assessment" than a needs assessment.

The district's technology plan appears to have been written hastily. There are mistakes and no clear vision was found within the plan regarding where the administration would like to see the district go regarding usage of technology. The plan appears to have been written because there was a requirement to write one rather than for assembling a vision for the district to undertake toward furthering the students' objective. The surveys were internal to teaching staff only and did not address anything beyond general issues. The district needs more details in order to gain a definitive perspective of its technology mission.

**Recommendation:**

**Surveys which appeared in the technology plan were very vague and did not thoroughly address the districts needs. The result of the technology plan was an overall investment in**

technology that exceeded \$4 million. The district should have more detail available the next time the plan is updated and more than just the teachers should be surveyed. A few examples that would further the plan would be a survey of students with computers at home; a survey of employers of skills necessary in the workplace; and a survey of parents over utilization of technology.

The National Center for Educational Statistics just published a guide for assisting a school district in properly implementing technology, called Technology @ Your Fingertips. It is recommended that the district consider these.

### **LIBRARY/MEDIA CENTER**

The Abbott district funding was primarily utilized to enhance the physical structure of all school facilities within Bridgeton. As a result, each library/media center was expanded and various technology enhancements were implemented.

The greatest change has been the permanent walls and fixed location of each library/media center. Some of the facilities had previously functioned with partitions in large open areas and one library had operated during free periods from the cafeteria.

Another significant improvement was the purchase of computer hardware, software, CD-ROM programs and Internet connections. This was the first phase of significant technology upgrades, which will later include linkages with other school libraries/media centers in the district and, possibly, neighboring municipal libraries. As discussed in the technology section of this report, the installation of the library/media center computers and the training component were not well coordinated. The inability to access information resulted in a high level of frustration for both staff and students. In some instances faculty members sought out and paid for computer training classes on their own.

There are a total of six school libraries/media centers including four elementary schools, one middle school and one high school. Two elementary schools currently share a librarian and secretary on designated days of the week.

The roles and responsibilities of each library/media center varies according to the grade level and abilities of the classes. The elementary school libraries/media centers function in a teaching capacity for students, including library skills and overall educational goals. The middle school and high school libraries/media centers concentrate on developing research skills. As an example, some in-school testing for elementary students produced low scores in geography. From that point on, all elementary school students were given additional library materials and designated time in the area of geography.

The varying roles for the libraries/media centers is reflected in the activity level at each location. All elementary school libraries/media centers are continual streams of activity and supervision while the middle school and high school libraries/media centers require attention in the development of research skills.

**Recommendation:**

The elementary school libraries/media centers function as a teaching environment for students and as a “free” or preparation period for teachers. As the students progress to the middle and high school environment, students are expected to research projects with minimal assistance.

Due to the educational focus of the school libraries/media centers, it is recommended the focus be shifted from administrative support to assistance for the library/teacher positions. It is recommended that all secretarial positions be eliminated and replaced with library aides. The elementary school students require a higher level of assistance and should be staffed with two library aides per site (8 aides), while the middle school and high school have a more independent student population and will require one library aide per location. A total of 10 aides with an average salary of 9,569 is recommended, totaling \$95,690.

Cost savings/efficiencies are based on the total salaries of all the library/media center secretaries (\$152,349) minus the total average salary of 10 aides (\$95,690).

**Cost Savings: \$56,659**

The Bridgeton School District is a member of the South Jersey Regional Cooperative which includes Gloucester, Salem and Cumberland counties. This is primarily a source for purchase of staff training and teaching materials. For books and educational materials, the secretary in each library is responsible for ordering materials and securing the most favorable prices.

The review team found great variability in the quantity and quality of the books and periodicals at each site. Some of the elementary school libraries/media centers were growing into their new surroundings and were, thus, beginning to develop more extensive book collections. In other cases, the middle school and high school libraries/media centers had extensive book collections, many of which needed to be reevaluated for usefulness in the current school environment.

It should be noted that the budget for many of the libraries/media centers has remained relatively stable over a six-year period. As a result, there is a net decrease in the purchasing powers of the libraries and the capability to replace materials.

**Recommendation:**

As a means of achieving further cost efficiency for all libraries/media centers and maximizing fixed resources, it is recommended that all purchases be centralized. One administrative position should be designated the responsibility of ordering materials for all the library/media centers and making the most economical purchases for the district.

## **BASIC SKILLS INSTRUCTION PROGRAM (BSIP)**

As of October, 1997, the Bridgeton school system had 1,541 students receiving basic skills instruction in grades pre-K through 12. Included are some students in the English as a Second Language (ESL) Program receiving support instruction in reading, writing and language development.

Students are selected for this program based on Brigance Test scores for grades pre-K through two and California Achievement Test, version 5 (CAT5) scores for grades three through eight. Students in high school are identified through the Early Warning Test (EWT), High School Proficiency Test (HSPT) and the CAT5. Teacher recommendation is also used for student placement into the program.

Instruction is in the form of both “pull out” and/or “inclusion.”

As of October, 1997, staffing for BSIP consists of: seven pre-K teachers with seven aides, 18 teachers for grades K - 8 with 35 aides, and several teachers at the secondary level teaching some BSIP classes.

The district also provides BSIP services to non-public students and they are contracted out to the Gloucester County Special Services School District utilizing chapters 192 and 193 for state funding.

The district spends approximately \$2,490,564 per year, or \$1,616 per BSI student. Costs for the program are split between the general fund (Educational Improvement Funds) and federal funding (Title 1).

### **BSIP COSTS**

<b>Basic Skills/Remedial</b>	<b>1995/96</b>	<b>1996/97</b>
Salaries of Teachers	\$747,125.03	\$741,880.42
Salaries as % of Total Expenditures	31.6%	29.8%
Other Salaries for Instruction	230,146.94	221,216.51
Other Purchased Services	5,400.00	5,860.85
General Supplies	4,651.21	5,004.51
<b>Total Basic Skills/Remedial</b>	<b>\$987,323.18</b>	<b>\$973,062.29</b>
 <b>Total Federal Funds</b>	 <b>\$1,378,761.25</b>	 <b>\$1,517,501.93</b>
 <b>Grand Total</b>	 <b>\$2,366,084.43</b>	 <b>\$2,490,564.22</b>
Total Students	1,220	1,541
 <b>Cost per BSI Student</b>	 <b>\$1,914.82</b>	 <b>\$1,616.20</b>

**Finding:**

**As demonstrated by the chart above, the efforts made by the district to reduce the cost per pupil for BSI students have been successful. A significant part of that reduction has been in salaries for instruction. The team believes the administration should be commended for improving the cost effectiveness of this program.**

**BILINGUAL & ENGLISH AS A SECOND LANGUAGE (ESL)**

As of October, 1997, the Bridgeton school system has 225 students in its Bilingual/ESL Program. Of these students, 221 are Spanish speaking and four speak other languages. The school system employs seven bilingual teachers and four ESL teachers.

At the elementary level, 169 students are taught in self-contained bilingual classrooms. The middle school bilingual program provides instruction for 18 students in a self-contained class, and at the high school level 25 students take part in a “pull out” variation of the bilingual program, called “high-intensity” ESL instruction.

The ESL Program is offered at the elementary level: 13 students receive instruction via “inclusion” assistance in regular classrooms and/or “pull out” instruction for varying time slots.

Bilingual and ESL instruction at the elementary level is offered exclusively at the Indian Avenue School, with the exception of one kindergarten class located in the Cherry Street School. Students are bused to these schools from throughout the district.

There is a lot of transience within the LEP (Limited English Proficiency) student population in the Bridgeton school system. It is estimated that only about 50% of any given LEP student population remain in the district for more than three years.

A majority of the students test out of the Bilingual/ESL Program within two years.

Bilingual class sizes range from 18 to 25 students, averaging 22 students. ESL teachers instruct students for varying time periods during the course of the school day. An ESL student receives between 30 minutes and two hours of bilingual or ESL instruction, depending on individual need.

**Finding:**

**Only .5 % of Bridgeton’s budget is allocated to bilingual and ESL education. This is the lowest percentage of the five comparable districts. The team believes that the district should be commended for providing these services in a cost efficient manner.**

## TRANSCIENCE IN THE BRIDGETON SCHOOL SYSTEM

The Bridgeton school system has an exceptionally transient student population. The “student mobility rate,” which appears in the 1996-97 NJ School Report Cards, is defined as being the percentage of students who entered or left the school during the previous school year. The degree of transience for each of the Bridgeton Schools appears in the chart below:

<b><u>Bridgeton Schools</u></b>	<b><u>Transients</u></b>	<b><u>State Average</u></b> <b><u>Transients</u></b>	<b><u>Difference</u></b>
High School	38.3 %	13.9 %	+24.4 %
Middle School	30.1 %	16.0 %	+14.1 %
West Avenue Elementary	30.1 %	16.0 %	+14.1 %
Cherry Street Elementary	39.2 %	16.0 %	+23.2 %
Indian Avenue Elementary	38.0 %	16.0 %	+22.0 %
Buckshutem Road Elementary	32.0 %	16.0 %	+16.0 %
Quarter Mile Lane Elementary	23.8 %	16.0 %	+ 7.8%

One concern raised by several administrators during this study is the fact that every year it becomes necessary to reorder additional consumable textbooks and workbooks, primarily at the primary level. This need to reorder is brought about by the high degree of transience. When students leave the district they take their books with them and when new students enter the district they need books. Presently, each school maintains its own supply of consumable books resulting in shortages in some schools, with some degree of surplus in others. Reordering is costing individual schools, sometimes, thousands of dollars each year.

### **Recommendation:**

**The district should develop a central book depository with a reasonable inventory and make a concerted effort to collect consumable educational materials when students are known to be leaving the district. Then materials in the central depository can be redistributed, as needed, to students entering the district during the course of the year. Administrators interviewed estimated a total cost of this reordering to be approximately \$10,000 yearly.**

**Estimated Savings: \$10,000**



### III. COLLECTIVE BARGAINING ISSUES

#### HEALTH BENEFITS

##### Background

The district spent approximately three million dollars in medical insurance with state health benefits in 1997-98. The board currently has a cost sharing agreement with the unions whereby a new employee has to pay for other than single coverage for the first three years of employment. The board believes that this is a good way to save money, but there is a propensity for new employees to need less coverage than employees that have been in the district for more than three years. The overall savings for the district are marginal, yet there is little incentive to reduce costs for the district as a whole.

There are other methods of controlling healthcare costs that can be employed. A cost share arrangement at a rate of 20% can be negotiated with all employees for “other than single coverage” and save approximately \$277,600.

##### Recommendation:

**Charge for other than single coverage. If the district were able to negotiate a reasonable co-pay of 20% for other than single coverage, the district could save about \$277,600.**

**Cost Savings: \$277,600**

Looking at how the employees selected their coverage there are many employees who have selected one of the HMOs.

Count of Health Plan Levels <u>Cov. Level</u>					
<u>Health Plan</u>	<u>Family</u>	<u>Married</u>	<u>Parent/Child</u>	<u>Single</u>	<u>Total</u>
AETNA/U S Healthcare	132	67	32	105	336
Amerihealth			1	4	5
First Option	2	2	5	7	16
HMO Blue	3	4	3	5	15
NJ Plus	13	9	8	34	64
NYLCARE				2	2
Prudential Healthcare	1				1
Traditional	87	99	14	62	262
Grand Total	238	181	63	219	701

Considering that approximately 62% (439 out of 701) of the people covered by the board are outside of traditional coverage, it may be in the best interest of the board to pursue other providers in order to evaluate its savings, compared to staying with the state’s health benefits plan.

If the district was able to negotiate with the unions for an alternative to state health benefits with a provider that offers a preferred provider network, an HMO or two, and an indemnity plan,

thereby tightening the choices and taking the district out of the state's plan, they could possibly save money. There are impediments that should be considered when comparing to the state health benefits plan. The cost of future retirees' coverage needs to be taken into account as well as the fact that South Jersey has lower health care costs than other parts of the state.

Another alternative would be forming or joining a collective purchase plan among several communities for health care in order to form a health insurance fund. An example of this is a collective in Gloucester County for health insurance, South Jersey Schools (Health Insurance) Affiliation. Unlike a HIF, all districts in the affiliation are fully insured and have separate packages dependent upon negotiated agreements.

### **Recommendation:**

**Consider negotiating with the unions about alternatives to the state health benefits plan. Given the location of Bridgeton, and the reality of healthcare costs in New Jersey, rates could be below the state health benefits rate for coverage. The most alluring factor for this consideration is the percentage of managed care utilization found within the district. If the district were able to save approximately 5% of medical insurance costs, the district would save approximately \$152,600.**

**Cost Savings: \$152,600**

### **Prescription Benefits**

The district's prescription benefits are not run under the state's health benefit plan, but by an independent third party benefits administrator. During the 1997-98 school year the district was estimated to pay \$684,225, based upon a static prescription census in March, 1998, utilizing then current rates. According to the third party provider, the prescription plan may be seeing increases of approximately 16% in 1998-99. The district has successfully negotiated a \$5/\$10 co-pay with one of the unions but needs to negotiate with the teacher's union regarding the validity of this benefit. If the district were to complete negotiations with the rest of the bargaining units for a \$5/\$10 co-pay, the district could save about 10% or at least \$68,400 per year based upon 1997-98 rates.

Also generic prescription utilization could be further encouraged by a three tiered co-pay arrangement. Generics could have five-dollar co-pay, non-substitutable brand names could have \$10 co-pay and substitutable brand names could have co-pay equal to the difference in cost between the generic medication and the brand name. This could result in savings of approximately 7-9% or at least \$47,880.

Another area that could result in plan savings is the reduction in days' supply of medication per prescription. The current plan allows for 34 days supply plus refills. If the plan were to switch to 21 days plus refills, it would reduce the amount of waste for unused prescriptions, while still permitting the insured to keep renewing while the medication is still needed. The district should still allow an opportunity for mail order prescription for a period of 60- 90 days with co-pays of \$5 and \$10. According to the third party administrator, the savings would be about 10% or \$68,400. It was recently estimated in The New York Times that "People in general take

approximately 75% of their prescriptions as prescribed. Some only take a couple of pills or none at all, while others are “partial compilers”, who take enough to feel better then lapse on their prescription.” This results in wasted resources by the insurer and ,ultimately, the taxpayer.

### **Recommendations:**

**Prescription savings are based, firstly, upon changing the deductible for the majority of employees. If the district went to a \$5/10 deductible they could save approximately 10% or \$68,400 from an estimated annual cost of \$684,000.**

**Cost Savings: \$68,400**

**Secondly, a mandatory generic program could save an additional 7-9% or at least \$47,880.**

**Cost Savings: \$47,880**

**If the district limited the maximum length of a prescription before renewal to 21 days while still allowing mail order prescriptions for periods of 60-90 days prior to renewal, the district could save 10% or \$68,400.**

**Cost Savings: \$68,400**

**Total Health Benefits Savings: \$614,880**

### **FOOD SERVICE STAFF**

The district’s food service programs employ a director, a cafeteria manager, two cooks, 23 cafeteria workers, eight satellite aides, eight lunchroom aides and a truck driver. All cafeteria employees work from 3.5 to 6.75 hours a day and are paid \$10.96 per hour. Satellite aides, work from 3 to 3.5 hours a day are paid between \$6.69 to \$7.63 per hour. Lunchroom aides work from 2.5 to 3.5 hours a day and are paid between \$6.69 to \$7.65 per hour. Lunchroom aides also serve as playground aides. The review of the food service payroll records did not reveal any overtime paid to any food service employee.

It was noted during the team’s review of payroll records that all but one cafeteria worker received health and dental benefits, 10 sick days and two personal days for the school year ending 6/30/97. It was also noted that one satellite aide received the same benefits as a full time cafeteria employee during the 1996/97 school year.

In September, 1996, the board passed a resolution to authorize a change in the average number of hours of employment per week required for “full-time” status for participation in the New Jersey State Health Benefits Program (NJSHBP), in accordance with NJAC 17:9-4.6. The board designated 30 hours per week (average) as the minimum requirement for the full-time status. This change in the number of hours of employment required for NJSHBP eligibility applies to employees hired after March 1, 1996. Current employees eligible for participation in the NJSHBP under the previous full time hours of employment definition were permitted to continue coverage in the program.

It should be noted that 90% of the district's food service employees were hired before March 1, 1996 and are eligible for full benefits. Benefits paid on behalf of these employees for the 1996/97 school year amounted to \$233,015.

**Recommendation:**

**The review team recommends that the board continue to operate the food service program but should renegotiate the payment of full benefits and other fringe benefits for cafeteria employees during its next contract negotiations. The team believes that the district could yield annual savings of \$233,015 from the amount paid for medical benefits and \$12,746 paid for sick time and personnel days for the school year ended 1996/97.**

**Cost Savings: \$245,761**

**OPERATIONS AND MAINTENANCE OF PLANT SERVICES**

The district's plant operation includes custodial services, light maintenance and repair, grounds keeping and minor capital renovations. During the 1996/97 school year, the district's custodial and maintenance department operated with a staff of 61, composed of one maintenance supervisor, two assistant supervisors, 41 custodians, 11 maintenance workers, one secretary and five student custodians. The district paid a total of \$3,242,626 for plant operation and maintenance services for the school year ending 6/30/97.

**Custodial Operations**

Custodians are responsible for cleaning the district's seven schools and administrative offices. The maintenance supervisor attempts to assign each custodian equal square footage space to clean. Although the custodians are not rotated, they do have the option of changing assignments to learn new areas.

Custodians are also responsible for maintaining 146.1 acres of athletic and intramural practice and playing fields. This assignment includes, but is not limited to, lawn care, snow removal and basic preparation.

The review team noted that the district's buildings and grounds were being kept clean and well maintained. It appears that the maintenance supervisor has been effective in adhering to the district's maintenance standards.

Custodial and maintenance functions are performed during three shifts - the day shift 7:00 a.m. to 3:30 p.m., the night shift 3:30 p.m. to 12:00 a.m. and the student shift 3:30 p.m. to 6:30 p.m. According to information obtained from the district's 1996/97 payroll records, 25 custodians worked the night shift and were paid a \$608 shift differential totaling \$15,200 and 28 custodians were paid a total of \$19,390 in overtime pay.

**Recommendation:**

**The teams recommends that the district negotiate to eliminate shift differential pay. This would result in an annual savings of \$15,200.**

**Cost Savings: \$15,200**

#### **IV. SHARED SERVICES**

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Reading Recovery Program - Since the 1994-95 school year, the Bridgeton School District has become a teacher training center, serving the needs of Bridgeton, as well other districts in southern New Jersey. During the 1996-97 school year, 11 Bridgeton teachers were trained along with seven teachers from other districts.

Joint Insurance Fund - The district has participated for many years in a joint insurance fund for its workers compensation coverage. This has enabled the district to reduce the cost of insurance while maintaining coverage.

Cooperative Purchasing - The district participates in cooperative or joint purchasing agreements with county government and other school districts. A cooperative agreement exists with the Cumberland County Educational Cooperative and has proven to be a successful program.

Student Custodians - The district's student custodian program should be looked at by the City of Bridgeton. The benefits that could be derived from such a venture include on-the-job training for students and additional family income, as well as costs savings to the municipality.

Transportation Computing - The district should consider offering automated transportation planning to other neighboring districts.

##### Sharing Warehouse and Maintenance Space

An earlier section of this report noted that the district plans to purchase a building to meet its storage and maintenance needs. The building is appraised at \$390,000 and contains 30,716 square feet, although the district uses only 12,000 square feet. However, the team recommended that the district not purchase this building for two reasons. First, better use of the current space would reduce space needs by one-half (i.e., from 12,000 to 6,000 square feet). Second, the district has not completed a needs assessment of its storage and maintenance requirements. The team does not agree with the stated reasons for purchasing the building.

While this building may not be appropriate for the district it may be appropriate for the City of Bridgeton. Discussions with the LGBR team working in the City of Bridgeton identified that the city plans to build a new maintenance and storage facility to meet its space needs which are roughly 15,000 to 20,000 square feet. If the city uses two thirds (20,000 sq. ft.) of the building, and the district uses 6,000 square feet, this would leave 6,000 square feet to meet future needs of either entity or to be available for leasing.

Both LGBR teams believe that the city and the school district could benefit by sharing this building. The city would avoid the added costs of constructing a new building and it would have a more central location for its operations. The district would retain its current location, use space more efficiently, and avoid the unnecessary expenditure of \$390,000. Moreover, both entities sharing the same location can help facilitate sharing other services such as building, vehicle, and lawn maintenance.

### **Recommendations:**

**Instead of proceeding separately to assess and meet their storage and maintenance needs, the district and the City of Bridgeton should work cooperatively in this effort. They should jointly identify their maintenance and storage needs and develop a plan to meet these needs.**

**The Bridgeton School District should be commended for the initiatives, which have been taken toward cost effective shared services. It is suggested that a committee be established to further develop shared services with 1) other school districts and 2) municipal governments. Opportunities for additional shared services and joint savings include: 1) computer technology, training and maintenance, 2) joint purchasing, 3) sharing of equipment, 4) snow plowing/sanding and salting, 5) lawn and field maintenance, 6) building maintenance, 7) vehicle repair and maintenance, and 8) transportation. Also, cooperative agreements could be developed for municipal and school administrative support services, such as insurance and risk management, benefits administration, payroll processing, printing and copying, and processing of purchase order and payment authorizations. Shared services and cooperative agreements should be items for discussions in periodic meetings with municipal and school officials.**

## V. STATUTORY & REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials, which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

### “Homeless” Student Population

An issue raised by administrators is in regard to the high number of “homeless” students for whom the district is required to provide transportation and/or education, either by instruction or providing tuition for instruction in the district in which they are residing.

The term “homeless” is defined Title 18A Education 18A:7B-12 as being “an individual who temporarily lacks a fixed, regular and adequate residence.” It is stated that “the district of residence for children whose parent or guardian temporarily moves from one school district to another as the result of being homeless shall be the district in which the parent or guardian last resided prior to becoming homeless.”

The district of residence is responsible for the education of the homeless child, and after consulting with the parent or guardian, determines the educational placement of that child. Options include:

- a. continuing the child’s education in the school district last attended;
- b. enrolling the child in the district of residence if it is not the district last attended; or
- c. enrolling the child in the school district where the child is temporarily living.

If the homeless child attends school in a district other than the district of residence, the district of residence will pay the costs of tuition and will pay for any transportation costs. When the homeless child attends school in the district of residence, while temporarily residing in another district, the district of residence will provide for transportation to and from school.

Presently, in the Bridgeton school system there are 220 homeless children. Most of these children are transient and often have been considered homeless for as much as three years. One reason given for children being “homeless” for extended periods of time is the fact that people remain on waiting lists for affordable housing for up to five years and are otherwise unable to obtain housing.

The Bridgeton administrators support the notion that a time limit of perhaps one-year be put on how long a student *temporarily* living out of district can be considered homeless. After that designated period of time the child should be considered a resident of the school district in which he/she is living.



They also believe that there is a need for clarification regarding classification of a child as being “homeless” and how long that classification should remain valid. For example, there is a difference between living with a grandparent indefinitely and living in a shelter awaiting the opportunity to move into affordable housing. Also, if a child is entitled to special funding as a result of CST classification, that funding, via a waiver, should travel with the student to the district he/she becomes a student in at the termination of his/her “homeless” status.

## **LOCAL GOVERNMENT BUDGET REVIEW TEAM**

James A. DiEleuterio Jr., State Treasurer  
David Mortimer, Associate Deputy State Treasurer  
John J. Coughlin, Director, Local Government  
    Budget Review Program  
Robert Mahon, Deputy Director, Local Government  
    Budget Review Program

### City of Bridgeton Board of Education Review Team

Ralph J. Condo, Team Leader  
Naomi Furrier Boudodimos  
Pearl Hawk  
Gene McCarthy  
James Smith  
Jay Stores